

House Bill 2448

Sponsored by Representative GELSER; Representatives BRUUN, CLEM, KAHL, STIEGLER

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Reinstates income tax credit for qualified adoption expenses with certain income limitations and eligibility requirements.

Applies to tax years beginning on or after January 1, 2010.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credits for adoption expenses; creating new provisions; amending ORS 315.274 and
3 section 3, chapter 1088, Oregon Laws 1999; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 315.274 is amended to read:

6 315.274. (1) For purposes of this section, "qualified adoption expenses" has the meaning given
7 that term in section 23 of the Internal Revenue Code.

8 (2) A taxpayer shall be allowed a credit against the taxes otherwise due under ORS chapter 316
9 in an amount determined under subsection (3) of this section for qualified adoption expenses paid
10 or incurred by the taxpayer during the tax year[.] **if:**

11 (a) **The taxpayer's federal adjusted gross income does not exceed \$150,000 for the tax**
12 **year; or**

13 (b) **The taxpayer's federal adjusted gross income does not exceed \$250,000 for the tax year**
14 **and:**

15 (A) **The adopted child is not younger than three years of age at the time of the adoption**
16 **and has not been placed previously with the adoptive family for more than six months;**

17 (B) **The adopted child is adopted as part of a sibling group of three or more children; or**

18 (C) **The adopted child has been diagnosed with a disability or chronic illness as those**
19 **terms are described in ORS 417.340 (2).**

20 (3) The amount of the credit allowed under this section shall be equal to the lesser of:

21 (a) The qualified adoption expenses paid or incurred by the taxpayer during the tax year less
22 the credit allowed to the taxpayer under section 23 of the Internal Revenue Code;

23 (b) **[\$1,500; or] In the case of a credit allowed under subsection (2)(a) of this section,**
24 **\$2,500; or**

25 (c) **In the case of a credit allowed under subsection (2)(b) of this section, \$5,000 for one**
26 **adopted child or \$10,000 for two or more adopted children.**

27 *[(c) The credit allowed to the taxpayer for qualified adoption expenses under section 23 of the*
28 *Internal Revenue Code.]*

29 (4) In the case of a credit allowed under this section:

30 (a) A nonresident shall be allowed the credit under this section in the proportion provided in

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 ORS 316.117.

2 (b) If a change in the status of a taxpayer from resident to nonresident or from nonresident to
3 resident occurs, the credit allowed by this section shall be determined in a manner consistent with
4 ORS 316.117.

5 (c) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or if the
6 Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the credit al-
7 lowed under this section shall be prorated or computed in a manner consistent with ORS 314.085.

8 (5) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
9 particular tax year may be carried forward and offset against the taxpayer's tax liability for the next
10 succeeding tax year. Any credit remaining unused in such next succeeding tax year may be carried
11 forward and used in the second succeeding tax year, and likewise any credit not used in that second
12 succeeding tax year may be carried forward and used in the third succeeding tax year, [*and any*
13 *credit not used in that third succeeding tax year may be carried forward and used in the fourth suc-*
14 *ceeding tax year,*] but may not be carried forward for any tax year thereafter.

15 **SECTION 2.** Section 3, chapter 1088, Oregon Laws 1999, is amended to read:

16 **Sec. 3.** [*Section 2 of this 1999 Act*] **ORS 315.274** applies to tax years beginning on or after Jan-
17 uary 1, 2000, and before January 1, 2006[.], **and beginning on or after January 1, 2010.**

18 **SECTION 3.** **The amendments to ORS 315.274 and section 3, chapter 1088, Oregon Laws**
19 **1999, by sections 1 and 2 of this 2009 Act apply to tax years beginning on or after January**
20 **1, 2010.**

21 **SECTION 4.** **This 2009 Act takes effect on the 91st day after the date on which the reg-**
22 **ular session of the Seventy-fifth Legislative Assembly adjourns sine die.**

23