

**A-Engrossed**  
**House Bill 2803**

Ordered by the House April 21  
Including House Amendments dated April 21

Sponsored by Representatives CAMERON, BARKER; Representatives BERGER, GILLIAM, KENNEMER,  
WHISNANT

**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.

Provides tax credit for employers who hire **certain** released persons **who work at least 160 hours for employer**. Requires Department of Corrections to assist with job placement for inmates and to notify employers about availability of tax incentives for employers hiring released persons.

Applies to released persons who commence work on or after January 1, 2010, and for whom a credit is claimed for tax years beginning on or after January 1, 2010, and to persons released from Department of Corrections institutions on or after January 1, 2010.

Takes effect on 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1  
2 Relating to employment assistance for released persons; and prescribing an effective date.

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

4 **SECTION 1. (1) As used in this section:**

5 (a) **"Employer" means an employer subject to taxation under ORS chapter 316, 317 or 318.**

6 (b) **"Released person" means a person who has been released from a Department of**  
7 **Corrections institution, as that term is defined in ORS 421.005, no earlier than three years**  
8 **prior to the date on which the person commences work for the taxpayer claiming the credit**  
9 **under this section.**

10 (2)(a) **A credit against the taxes otherwise due under ORS chapter 316 or, if the taxpayer**  
11 **is a corporation that is an employer, under ORS chapter 317 or 318, is allowed to a resident**  
12 **employer based upon wages actually paid by the employer to a released person who, during**  
13 **the tax year, works at least 160 hours in the employ of the taxpayer.**

14 (b) **The credit allowed under this section shall be allowed for the tax year in which the**  
15 **12-month period following the hiring date of the released person ends and for the tax year**  
16 **immediately following. Nothing in this paragraph shall be interpreted to require the employer**  
17 **to employ the released person for the entire 12-month period in order to be eligible for the**  
18 **credit under this section.**

19 (3) **The amount of the credit provided under this section shall equal:**

20 (a) **For the first year in which it is claimed, the lesser of:**

21 (A) **\$600; or**

22 (B) **Five percent of the wages paid to the released person during the 12-month period**  
23 **following the hiring date of the released person.**

24 (b) **For the second year in which it is claimed for the same released person, \$900.**

25 (4) **In order to claim the credit allowed under this section, the employer must obtain**

**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 approval from the Department of Corrections or county community corrections agency for  
2 each released person who is to be hired by the employer. The approval must be in writing  
3 and must be received by the employer prior to the date that the released person commences  
4 work. The employer must retain documentation related to approval of employees and provide  
5 the documentation to the Department of Revenue if requested.

6 (5) The tax credit available under this section may not exceed the qualified tax liability  
7 of the taxpayer for the tax year.

8 (6) Wages taken into account for the purposes of subsection (3) of this section may not  
9 include any amount paid by the employer to a released person for whom the employer re-  
10 ceives federal funds for on-the-job training.

11 (7)(a) A nonresident individual shall be allowed the credit computed in the same manner  
12 and subject to the same limitations as the credit allowed a resident by this section. However,  
13 the credit shall be prorated using the proportion provided in ORS 316.117.

14 (b) If a change in the taxable year of the taxpayer occurs as described in ORS 314.085,  
15 or if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440,  
16 the credit allowed by this section shall be prorated or computed in a manner consistent with  
17 ORS 314.085.

18 (c) If a change in the status of a taxpayer from resident to nonresident or from nonres-  
19 ident to resident occurs, the credit allowed by this section shall be determined in a manner  
20 consistent with ORS 316.117.

21 (8)(a) The credit allowed under this section is in addition to any deduction otherwise al-  
22 lowable under ORS chapter 316, 317 or 318.

23 (b) No other credit allowed under ORS chapter 316, 317 or 318 shall be based upon all or  
24 any portion of amounts upon which the credit allowed under this section is based.

25 **SECTION 2.** Section 1 of this 2009 Act applies to released persons who commence work  
26 on or after January 1, 2010, and for whom a credit is claimed for tax years beginning on or  
27 after January 1, 2010.

28 **SECTION 3.** Section 4 of this 2009 Act is added to and made a part of ORS chapter 144.

29 **SECTION 4.** The Department of Corrections shall include assistance with job placement  
30 for inmates in its preparation of the release plan for each inmate required under ORS  
31 144.096. Where possible, the department shall undertake outreach to potential employers of  
32 inmates, including notification of potential employers about the availability of tax incentives  
33 to employers who hire released persons under section 1 of this 2009 Act and who hire quali-  
34 fied ex-felons under section 51(d) of the Internal Revenue Code.

35 **SECTION 5.** Section 4 of this 2009 Act applies to persons released from Department of  
36 Corrections institutions on or after January 1, 2010.

37 **SECTION 6.** This 2009 Act takes effect on the 91st day after the date on which the reg-  
38 ular session of the Seventy-fifth Legislative Assembly adjourns sine die.

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