

Senate Bill 826

Sponsored by Senator GEORGE

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**.

Establishes credit against personal income taxes for 40 percent of premiums paid by individual taxpayers for coverage of taxpayer, spouse or dependent.

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

A BILL FOR AN ACT

1
2 Relating to tax credits for premiums paid for health benefit plans.

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

4 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS chapter 315.**

5 **SECTION 2. (1) As used in this section, "health benefit plan" has the meaning given that**
6 **term in ORS 25.321.**

7 **(2) There is allowed a credit against the taxes that are otherwise due under ORS chapter**
8 **316, in an amount equal to 40 percent of the total premiums paid or incurred during the tax**
9 **year by the taxpayer for health benefit plan coverage of the taxpayer or a spouse or de-**
10 **pendent of the taxpayer.**

11 **(3) The credit allowed under this section may not exceed the tax liability of the taxpayer**
12 **and may not be carried forward to a later tax year.**

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

14 **(a) A nonresident shall be allowed the credit in the proportion provided in ORS 316.117.**

15 **(b) If a change in the status of a taxpayer from resident to nonresident or from nonres-**
16 **ident to resident occurs, the credit shall be determined in a manner consistent with ORS**
17 **316.117.**

18 **(c) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or**
19 **if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the**
20 **credit shall be prorated or computed in a manner consistent with ORS 314.085.**

21 **SECTION 3. Section 2 of this 2009 Act applies to tax years beginning on or after January**
22 **1, 2010.**

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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.