

Senate Bill 882

Sponsored by COMMITTEE ON FINANCE AND REVENUE

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**.

Allows entire amount of contributions to college savings network accounts to be subtracted from federal taxable income, with limit on amount of subtraction per tax year. Allows unused subtraction to be carried forward to unlimited number of succeeding tax years.

Applies to tax years beginning on or after January 1, 2009.

A BILL FOR AN ACT

1
2 Relating to subtraction for contributions to college savings network accounts; creating new pro-
3 visions; and amending ORS 316.699.

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

5 **SECTION 1.** ORS 316.699 is amended to read:

6 316.699. (1) There shall be subtracted from federal taxable income the amount contributed to a
7 college savings network account established under ORS 348.841 to 348.873.

8 (2) Notwithstanding subsection (1) of this section, a subtraction under this section may not ex-
9 ceed the lesser of:

10 (a) \$4,000 [*for the*] **in each** tax year if the taxpayer files a joint return, or \$2,000 [*for the*] **in each**
11 tax year if the taxpayer files a return other than a joint return; and

12 (b) If an amount is carried forward to a succeeding tax year under subsection [(3)] (4) of this
13 section, the balance in the college savings network account at the close of the tax year for which
14 the subtraction is being made.

15 (3)(a) The Department of Revenue shall annually adjust the maximum subtraction allowable un-
16 der this section according to the cost-of-living adjustment for the calendar year. The department
17 shall make this adjustment by multiplying the amount in subsection (2) of this section by the per-
18 centage (if any) by which the monthly averaged U.S. City Average Consumer Price Index for the 12
19 consecutive months ending August 31 of the prior calendar year exceeds the monthly averaged U.S.
20 City Average Consumer Price Index for the 12 consecutive months ending August 31, 2007.

21 (b) As used in this subsection, "U.S. City Average Consumer Price Index" means the U.S. City
22 Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of
23 Labor Statistics of the United States Department of Labor.

24 (4) Any amounts contributed to a college savings network account that are not subtracted from
25 federal taxable income because of the monetary limitations imposed by subsection (2) of this section
26 may be carried forward [*for four succeeding tax years*] and subtracted from federal taxable income
27 in any [*of those*] succeeding tax years in an amount that does not exceed the monetary limitations
28 imposed by subsection (2) of this section.

29 (5) The amount contributed to a college savings network account may be subtracted from a
30 preceding tax year if the contribution is made before the taxpayer files a return or before the 15th

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 day of the fourth month following the closing of the taxpayer's tax year, whichever is earlier.

2 **SECTION 2. The amendments to ORS 316.699 by section 1 of this 2009 Act apply to tax**
3 **years beginning on or after January 1, 2009.**

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