

# Senate Bill 932

Sponsored by Senators VERGER, MONNES ANDERSON; Senators JOHNSON, MORRISSETTE, MORSE, STARR,  
Representative COWAN

## 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 income tax credit for qualified elderly taxpayer whose residential property tax equals or exceeds specified percentage of household income.

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

## A BILL FOR AN ACT

1  
2 Relating to income tax credits for qualifying elderly taxpayers.

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

4 **SECTION 1. Sections 2 and 3 of this 2009 Act are added to and made a part of ORS**  
5 **chapter 315.**

6 **SECTION 2. As used in this section and section 3 of this 2009 Act:**

7 (1) "Dwelling unit" means:

8 (a) A structure or part of a structure providing independent living facilities for the use  
9 of one or more persons that has space for eating, living and sleeping and permanent facilities  
10 for cooking and sanitation; and

11 (b) The land supporting the structure or associated with the structure.

12 (2) "Principal residence" means:

13 (a) Real or personal property located in Oregon that is owned and occupied as a dwelling  
14 unit by a taxpayer; and

15 (b) If the dwelling unit is located in a structure with multiple dwelling units, the portion  
16 of the structure used as the dwelling unit and the percentage of the common elements and  
17 of the tax lot upon which the structure is built that is attributed by annual assessment to  
18 the dwelling unit.

19 (3) "Taxpayer" means a person whose principal residence is subject to a property tax  
20 levied by a political subdivision of this state.

21 **SECTION 3. (1) A taxpayer shall be allowed a credit against the taxes otherwise due un-**  
22 **der ORS chapter 316, in an amount determined under subsection (4) of this section, for**  
23 **property taxes paid or incurred by the taxpayer during the income tax year on a principal**  
24 **residence if:**

25 (a) The taxpayer is 75 years of age or older on December 31 of the tax year for which the  
26 credit is claimed;

27 (b) The taxpayer owns and occupies the principal residence, or jointly owns and occupies  
28 the principal residence with the spouse of the taxpayer, throughout the tax year for which  
29 the credit is claimed;

30 (c) The taxpayer has a household income, as defined in ORS 310.630, that does not exceed

**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 **\$24,999;**

2 **(d) The amount of property tax assessed against the principal residence for the property**  
 3 **tax year that begins in the income tax year for which the credit is claimed is equal to or**  
 4 **exceeds 6.5 percent of the taxpayer's household income, as defined in ORS 310.630; and**

5 **(e) During the tax year for which the credit is claimed, the taxpayer or the spouse of the**  
 6 **taxpayer paid, as provided in ORS 311.505, the property taxes assessed against the primary**  
 7 **residence for the property tax year that begins in the income tax year for which the credit**  
 8 **is claimed.**

9 **(2) For the purposes of subsection (1)(b) of this section, a taxpayer owns a residence if**  
 10 **the taxpayer:**

11 **(a) Is the holder of record title, either alone or with others, to a fee simple estate in the**  
 12 **property, a life estate in the property or the right to possession of the property under a trust**  
 13 **instrument or contract of sale;**

14 **(b) Is the registered owner, either alone or with others, of a manufactured dwelling or**  
 15 **floating home; or**

16 **(c) Is a tenant-stockholder of a cooperative housing corporation.**

17 **(3) A taxpayer's ability to claim a credit under this section is not affected by a temporary**  
 18 **absence of limited duration from the principal residence. Any absence for three months or**  
 19 **less during the tax year, or any absence due to illness, is a temporary absence of limited**  
 20 **duration for the purposes of this subsection.**

21 **(4) The amount of the credit allowed under this section in any one income tax year is the**  
 22 **lesser of:**

23 **(a) The amount by which the property tax assessed on the principal residence for the**  
 24 **property tax year that begins in the income tax year for which the credit is claimed exceeds**  
 25 **6.5 percent of the taxpayer's household income, as defined in ORS 310.630; or**

26 **(b) \$300.**

27 **(5)(a) If a taxpayer changes status from a resident to a nonresident or changes status**  
 28 **from a nonresident to a resident, the credit allowed under this section shall be determined**  
 29 **in a manner consistent with ORS 316.117.**

30 **(b) If the taxable year of a taxpayer changes as described in ORS 314.085, or if the De-**  
 31 **partment of Revenue terminates the taxpayer's taxable year under ORS 314.440, the credit**  
 32 **allowed under this section shall be prorated or computed in a manner consistent with ORS**  
 33 **314.085.**

34 **(6) Subject to the limitations set forth in subsection (4) of this section, any tax credit**  
 35 **otherwise allowable under this section that is not used by the taxpayer in a tax year may**  
 36 **be carried forward and offset against the taxpayer's tax liability for the next succeeding tax**  
 37 **year. Any credit remaining unused in the next succeeding tax year may be carried forward**  
 38 **and used in the second succeeding tax year. Any credit not used in the second succeeding**  
 39 **tax year may be carried forward and used in the third succeeding tax year. Any credit not**  
 40 **used in the third succeeding tax year may be carried forward and used in the fourth suc-**  
 41 **ceeding tax year, but may not be carried forward for any tax year after the fourth succeed-**  
 42 **ing tax year.**

43 **(7) A taxpayer may not claim a tax credit under this section for any portion of a dwelling**  
 44 **unit that is rented to any person other than the taxpayer.**

45 **(8) A taxpayer or the taxpayer's spouse may not claim a tax credit under this section for**

1 **more than one principal residence.**

2 **(9) A taxpayer may not claim a tax credit under this section if the taxpayer is receiving**  
3 **a deferral of homestead property taxes under ORS 311.666 to 311.701 for the income tax year**  
4 **for which a credit under this section is sought or for the next income tax year.**

5 **SECTION 4. Sections 2 and 3 of this 2009 Act apply to income tax years beginning on or**  
6 **after January 1, 2010.**

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