

# Enrolled House Bill 2728

Sponsored by Representative READ; Representatives BARKER, BREWER, CONGER, DEMBROW, DOHERTY, GELSER, GREENLICK, HUFFMAN, HUNT, JOHNSON, LINDSAY, MCLANE, SHEEHAN, WAND, Senators EDWARDS, HASS (Presession filed.)

CHAPTER .....

AN ACT

Relating to direct deposits to Oregon 529 College Savings Network accounts; creating new provisions; amending ORS 348.857; and prescribing an effective date.

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

**SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 305.**

**SECTION 2. (1) A taxpayer may elect to contribute all or a portion of a refund of personal income tax to an account that has been established under ORS 348.857 by direct deposit to the financial institution managing the account. The amount elected to be contributed by the taxpayer must be at least \$25 and may be applied as a contribution only for the tax year in which the refund is issued.**

**(2) The election shall be made on a form prescribed by the Department of Revenue and filed with the taxpayer’s tax return for the tax year or at such other time and in such other manner as the department may prescribe by rule. The department shall prescribe by rule the maximum number of accounts to which a taxpayer may elect to contribute a portion of the refund.**

**(3) The election to contribute all or a portion of a refund may not be changed or revoked.**

**(4) The election to contribute all or a portion of a refund shall be void, and no portion of the refund may be contributed to an account that has been established under ORS 348.857, if:**

**(a) The taxpayer’s refund is offset to pay amounts owed by the taxpayer; or**

**(b) The taxpayer’s refund is less than the total of the following:**

**(A) The contribution elected in subsection (1) of this section;**

**(B) Payments of tax as provided in ORS 316.583 that accompany the return;**

**(C) All contributions to charitable and governmental entities designated by means of a checkoff as provided in ORS 305.745; and**

**(D) All contributions to political parties designated by means of a checkoff as provided in ORS 305.754.**

**SECTION 3. ORS 348.857 is amended to read:**

**348.857. (1) An account owner may establish an account by making an initial contribution to the Oregon 529 College Savings Network in the name of the designated beneficiary. Once a contribution is made it becomes part of the network and subject to the provisions of ORS 348.841 to 348.873.**

**(2) Any person may make a contribution to an account once an account is opened.**

(3) Contributions to an account shall be made only in cash **and may be deposited as provided in section 2 of this 2011 Act.**

(4) Total contributions to all accounts established on behalf of a particular beneficiary may not exceed those reasonably necessary to provide for the qualified higher education expenses of the designated beneficiary. The Oregon 529 College Savings Board shall establish maximum contribution limits applicable to network accounts and shall require the provision of any information from the account owner and the designated beneficiary that the board deems necessary to establish these limits.

(5) Separate records and accounting shall be required for each account and reports shall be made no less frequently than annually to the account owner.

(6) The board may collect application, account or administrative fees to defray the costs of the network.

**SECTION 4. Section 2 of this 2011 Act and the amendments to ORS 348.857 by section 3 of this 2011 Act apply to income tax refunds payable to taxpayers for tax years beginning on or after January 1, 2012.**

**SECTION 5. This 2011 Act takes effect on the 91st day after the date on which the 2011 regular session of the Seventy-sixth Legislative Assembly adjourns sine die.**

**Passed by House June 9, 2011**

.....  
Ramona Kenady Line, Chief Clerk of House

.....  
Bruce Hanna, Speaker of House

.....  
Arnie Roblan, Speaker of House

**Passed by Senate June 15, 2011**

.....  
Peter Courtney, President of Senate

**Received by Governor:**

.....M.,....., 2011

**Approved:**

.....M.,....., 2011

.....  
John Kitzhaber, Governor

**Filed in Office of Secretary of State:**

.....M.,....., 2011

.....  
Kate Brown, Secretary of State