

House Bill 3388

Sponsored by Representative ESQUIVEL; Representatives FREEMAN, OLSON, G SMITH

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**.

Creates income tax credit for private school tuition payments.
Applies to tax years beginning on or after January 1, 2012.

A BILL FOR AN ACT

1
2 Relating to tax credits for private school tuition.

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

4 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 315.**

5 **SECTION 2. (1) A credit against the taxes otherwise due under ORS chapter 316 shall be**
6 **allowed for tuition paid by the taxpayer during the tax year for pupils attending, in Oregon,**
7 **private elementary and secondary schools.**

8 (2) The credit allowed under this section shall equal the lesser of:

9 (a) The amount of tuition paid by the taxpayer during the tax year; or

10 (b) The annual per student distribution for the district in which the student resides, as
11 computed using the weighted average daily membership formula provided in ORS 327.013, less
12 \$1,000.

13 (3) The credit allowed under this section in one tax year may not exceed the tax liability
14 of the taxpayer.

15 (4)(a) A nonresident shall be allowed the credit under this section in the proportion pro-
16 vided in ORS 316.117.

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

20 (c) A husband and wife who file separate returns for a taxable year may each claim a
21 share of the tax credit that would have been allowed on a joint return in proportion to the
22 contribution of each.

23 (d) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or
24 if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the
25 credit allowed under this section shall be prorated or computed in a manner consistent with
26 ORS 314.085.

27 (5) The Department of Education shall establish by rule policies and procedures for cer-
28 tifying taxpayers as eligible for the credits allowed under this section.

29 **SECTION 3. Section 2 of this 2011 Act applies to tax years beginning on or after January**
30 **1, 2012.**

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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.