77TH OREGON LEGISLATIVE ASSEMBLY   MEASURE: HB 2478A
2013 REGULAR SESSION   CARRIER:
STAFF MEASURE SUMMARY
Joint Committee on Tax Credits

REVENUE: Revenue Statement issued
FISCAL: Minimal Fiscal Impact

DRAFT

Action:
Vote:
>   **Yeas:**
>   **Nays:**
>   **Exc.:**

Prepared By: Austin Anderson, Intern/Student
Meeting Dates: May 23, 2013

WHAT THE BILL DOES: Extends sunset for tax credit for payments to employee and dependent scholarship programs from January 1, 2014 through January 1, 2020.

ISSUES DISCUSSED:
- Qualifications for the tax credit
- Who the tax credit benefits
- Small number of uses for the tax credit
- Potential misuse of the tax credit
- If businesses can use as tax credit and a deductible

EFFECT OF COMMITTEE AMENDMENTS: Adopted from the House Committee on Business and Labor; Changes the meaning of 'qualified scholarship' to mean a scholarship that is used to pay expenses of attending a program or institution located within the state.

BACKGROUND: This tax credit allows qualified employers the ability to claim a credit against their income tax for 50 percent of the amount of scholarships funded for their employees' dependents, with a maximum credit of $50,000 per tax year. Nonresidents and part year residents multiply their credit by their Oregon percentage. If the credit exceeds the employer's tax liability, the excess may be carried forward up to five years. To qualify, employers must have between four (4) and 250 employees, and have their scholarship program and credit amount certified by the Oregon Student Access Commission (OSAC). There is a $1 million cap on the total amount of credits that can be certified by the commission per calendar year, and the total lifetime amount of credits an employer may claim is limited to $1 million. Businesses may also use their contributions as an IRS tax deduction according to OSAC.

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