

# PRELIMINARY

77TH OREGON LEGISLATIVE ASSEMBLY  
2013 REGULAR SESSION  
STAFF MEASURE SUMMARY  
SENATE FINANCE AND REVENUE COMMITTEE

MEASURE: SB 507  
CARRIER:

REVENUE:  
FISCAL:

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Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 3/1

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**WHAT THE BILL DOES:** Expands the Oregon earned income tax credit from 6% to 18% by three percentage points per year beginning in tax year 2013. Extends the sunset date from January 1, 2014 to January 1, 2017.

**ISSUES DISCUSSED:**

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**EFFECT OF COMMITTEE AMENDMENTS:**

**BACKGROUND:** The Oregon Earned Income Tax Credit was created by the 1997 Legislature and was five percent of the federal credit. It was originally nonrefundable, which means that the credit could be used to reduce tax liability down to zero but any remaining credit amount would be unused. The credit became refundable in 2006, meaning that any credit amount that remained after reducing tax liability to zero would be refunded to the taxpayer. It was increased to six percent in 2008. In tax year 2011, nearly 285,000 filers claimed and used \$32.8 million in tax credits.

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State Capitol Building  
900 Court St NE, Room 143  
Salem, OR 97301-1347

Phone: 503-986-1266  
Fax: 503-986-1770  
<http://www.leg.state.or.us>