

House Bill 2304

Sponsored by Representative READ (Pre-session filed.)

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 credit against personal income tax for amounts paid by eligible taxpayer who paid for and received instruction leading to degree or recognized certificate from post-secondary institution.

Applies to amounts paid in tax years beginning on or after January 1, 2015, and before January 1, 2024.

A BILL FOR AN ACT

1
2 Relating to tax credits for tuition.

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

4 **SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS chapter 315.**

5 **SECTION 2. (1) As used in this section, "eligible taxpayer" means a taxpayer who grad-**
6 **uated from an Oregon high school on or after July 1, 2013, or received a General Educational**
7 **Development (GED) certificate in Oregon on or after July 1, 2013, and who:**

8 (a) Received a degree or recognized certificate from a community college within three
9 years after graduating from high school or receiving a General Educational Development
10 (GED) certificate;

11 (b) Received a degree or recognized certificate from an eligible post-secondary institu-
12 tion, as defined in ORS 348.180, that is not a community college within five years after
13 graduating from high school or receiving a General Educational Development (GED) certif-
14 icate; or

15 (c)(A) Received a degree or recognized certificate from a community college within three
16 years after graduating from high school or receiving a General Educational Development
17 (GED) certificate; and

18 (B) Received a degree or recognized certificate from an eligible post-secondary institu-
19 tion, as defined in ORS 348.180, that is not a community college within three years after re-
20 ceiving the degree or recognized certificate from a community college.

21 (2)(a) If an eligible taxpayer received a degree or recognized certificate from a commu-
22 nity college, a credit against the taxes otherwise due under ORS chapter 316 is allowed to
23 the eligible taxpayer in the amount of \$125. A taxpayer may receive a credit under this par-
24 agraph for two tax years.

25 (b) If an eligible taxpayer received a degree or recognized certificate from an eligible
26 post-secondary institution that is not a community college and has not received a degree or
27 recognized certificate from a community college within the period specified in subsection (1)
28 of this section, a credit against the taxes otherwise due under ORS chapter 316 is allowed
29 to the eligible taxpayer in the amount of \$250. A taxpayer may receive a credit under this
30 paragraph for four tax years.

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 (c) If an eligible taxpayer received a degree or recognized certificate from an eligible
2 post-secondary institution that is not a community college and has previously received a
3 degree or recognized certificate from a community college within the period specified in
4 subsection (1) of this section, a credit against the taxes otherwise due under ORS chapter
5 316 is allowed to the eligible taxpayer in the amount of \$250. A taxpayer may receive a credit
6 under this paragraph for two tax years.

7 (3) An eligible taxpayer may not receive credits under subsection (2)(a) and (c) of this
8 section in the same tax year.

9 (4) The credit allowed under this section is available only to a taxpayer who paid tuition,
10 fees or related expenses and received the instruction leading to a degree or recognized cer-
11 tificate that qualified the taxpayer for a credit under this section.

12 (5) The credit allowed under this section may not exceed the tax liability of the taxpayer
13 for the tax year in which the credit is claimed and may not be carried forward to succeeding
14 tax years.

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

24 **SECTION 3.** Section 2 of this 2013 Act applies to tax years beginning on or after January
25 1, 2015, and before January 1, 2024.