

**PROPOSED AMENDMENTS TO
HOUSE BILL 3367**

1 In line 2 of the printed bill, after the semicolon delete the rest of the line
2 and line 3 and insert “creating new provisions; and amending ORS
3 316.085.”.

4 Delete lines 5 through 16 and insert:

5 **“SECTION 1. Section 2 of this 2013 Act is added to and made a part**
6 **of ORS chapter 316.**

7 **“SECTION 2. A taxpayer shall be allowed a credit, in the amount**
8 **of \$250 per dependent, against the taxes otherwise due under this**
9 **chapter for each dependent of the taxpayer who:**

10 **“(1) Is a qualifying child, as defined in section 152 of the Internal**
11 **Revenue Code; and**

12 **“(2) Is claimed by the taxpayer on the taxpayer’s federal tax return.**

13 **“SECTION 3. ORS 316.085 is amended to read:**

14 **“316.085. (1)(a) There shall be allowed a personal exemption credit against**
15 **taxes otherwise due under this chapter. The credit shall equal [*\$90 multiplied***
16 ***by*] the number of personal exemptions allowed under section 151 of the**
17 **Internal Revenue Code **less the number of dependents for whom a credit****
18 **is allowed under section 2 of this 2013 Act, multiplied by \$90.**

19 **“(b) In the case of an individual with respect to whom a credit under**
20 **paragraph (a) of this subsection is allowable to another taxpayer for a tax-**
21 **able year beginning in the calendar year in which the individual’s taxable**
22 **year begins, the credit amount applicable to such individual for such**

1 individual's taxable year is zero.

2 “(2)(a) A nonresident shall be allowed the credit provided under sub-
3 section (1) of this section computed in the same manner and subject to the
4 same limitations as the credit allowed to a resident of this state. However,
5 the credit shall be prorated using the proportion provided in ORS 316.117.

6 “(b) If a change in the taxable year of a taxpayer occurs as described in
7 ORS 314.085, or if the Department of Revenue terminates the taxpayer's
8 taxable year under ORS 314.440, the credit allowed by this section shall be
9 prorated or computed in a manner consistent with ORS 314.085.

10 “(c) If a change in the status of a taxpayer from resident to nonresident
11 or from nonresident to resident occurs, the credit allowed by this section
12 shall be determined in a manner consistent with ORS 316.117.

13 “(3) The Department of Revenue shall recompute the dollar amount of the
14 personal exemption credit allowed for state personal income tax purposes.
15 The computation shall be as follows:

16 “(a) Divide the monthly averaged U.S. City Average Consumer Price In-
17 dex for the 12 consecutive months ending August 31 of the prior calendar
18 year by the monthly averaged index for the first six months of 1986.

19 “(b) Recompute the dollar amount of the personal exemption credit by
20 multiplying \$90 by the appropriate indexing factor determined as provided
21 in paragraph (a) of this subsection. Round off the amount obtained under this
22 paragraph to the nearest \$1.

23 “(4) As used in this section, ‘U.S. City Average Consumer Price Index’
24 means the U.S. City Average Consumer Price Index for All Urban Consumers
25 (All Items) as published by the Bureau of Labor Statistics of the United
26 States Department of Labor.

27 “(5) Notwithstanding subsections (1) to (3) of this section, if a taxpayer's
28 federal adjusted gross income for the tax year exceeds the threshold amount,
29 the exemption amount shall be the greater of:

30 “(a) Thirty-three percent of the amount computed in subsection (3) of this

1 section; or

2 “(b) The amount computed in subsection (3) of this section reduced by:

3 “(A) Two percentage points for each \$2,500 (or fraction thereof) by which
4 the taxpayer’s federal adjusted gross income exceeds the threshold amount;

5 or

6 “(B) Two percentage points for each \$1,250 (or fraction thereof) by which
7 the taxpayer’s federal adjusted gross income exceeds the threshold amount,
8 if the taxpayer is married but filing separately.

9 “(6) As used in this section, ‘threshold amount’ means:

10 “(a) \$234,600 in the case of a joint return or a surviving spouse.

11 “(b) \$195,500 in the case of a head of a household.

12 “(c) \$156,400 in the case of an individual who is not a married individual
13 and is not a surviving spouse.

14 “(d) \$117,300 in the case of a married individual filing a separate return.

15 “(7) The Department of Revenue shall adjust the threshold amounts in
16 subsection (6) of this section according to the cost-of-living adjustment for
17 the calendar year. The department shall annually recompute the threshold
18 amounts for the current tax year by multiplying each dollar amount by the
19 percentage (if any) by which the monthly averaged U.S. City Average Con-
20 sumer Price Index for the 12 consecutive months ending August 31 of the
21 prior calendar year exceeds the monthly averaged U.S. City Average Con-
22 sumer Price Index for the 12 consecutive months ending August 31, 2006.

23 “(8) If a threshold amount computed under subsections (6) and (7) of this
24 section is not a multiple of \$50, the amount shall be rounded to the next
25 lower multiple of \$50.

26 **“SECTION 4. Section 2 of this 2013 Act and the amendments to ORS**
27 **316.085 by section 3 of this 2013 Act apply to tax years beginning on**
28 **or after January 1, 2014.”**

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