

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

Senate Committee on Workforce

REVENUE: Revenue statement issued

FISCAL: No fiscal impact

SUBSEQUENT REFERRAL TO: Tax Credits

Action:

Vote:

Yeas:

Nays:

Exc.:

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Meeting Dates: 2/11

WHAT THE MEASURE DOES: Extends tax credit for employment-related household services and dependent care expenses to the 2021 tax year.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

(-1) Increases the percentage of employment-related expenses allowable as a credit against the tax from a range of 4-30% to a range of 7-50%, effective for tax years beginning on or after January 1, 2016.

BACKGROUND: Under current Oregon law, a resident can receive a tax credit for qualifying employment-related household services and dependent care expenses. The credit is calculated based on a progressive table and can only be claimed by those with a federal taxable income less than \$45,000 per year. In addition, the credit is subject to the definitions and limitations in Chapter 21 of the Internal Revenue Code. Unless extended, the tax credit is set to expire on January 1, 2016.

Senate Bill 46 extends the tax credit for employment-related services through the 2021 tax year.