

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 child care expenses to the 2021 tax year.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

(-1) Increases both the percentage of child care expenses allowable against the tax from a range of 8-40% to a range of 11-50% and the qualifying income from a maximum of 250% to a maximum of 300% of the federal poverty level, effective for tax years on or after January 1, 2016.

BACKGROUND: Under current Oregon law, a resident can receive a tax credit for qualified child care expenses. The credit is calculated based on a progressive table and can only be claimed by residents with an adjusted gross income below 250% of the federal poverty level. The credit is subject to income and eligibility limitations.

Senate Bill 47 extends the tax credit for qualified child care expenses to the 2021 tax year.