

STAFF MEASURE SUMMARY**Senate Committee On Education****Fiscal:** Has minimal fiscal impact**Revenue:** Revenue impact issued**Action Date:** 03/24/15**Action:** Do Pass With Amendments And Requesting Referral To Tax Credits.
(Printed A-Engrossed.)**Meeting Dates:** 02/12, 03/24**Vote:**

Yeas: 4 - Baertschiger Jr, Hass, Knopp, Roblan

Exc: 3 - Beyer, Gelser, Kruse

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WHAT THE MEASURE DOES:

Creates income tax credit for classroom expenses of educators. Defines “classroom expenses” and “educator.” Applies to tax years beginning on or after January 1, 2015, and before January 1, 2021. Limits potential credit to \$100, or \$200 for joint returns. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Tax credits versus tax deductions
- Overlap with federal tax deduction for classroom expenses
- Inadequate funding for education
- Donations for individual student expenses versus classroom-wide expenses
- Joint credits or deductions

EFFECT OF COMMITTEE AMENDMENT:

Limits credits to expenses paid or incurred by educators only. Redefines “educator” to exclude private teachers, parents, or legal guardians. Reduces potential credit amount to \$100. Allows joint returns up to \$200.

BACKGROUND:

Under federal law, eligible educators can deduct up to \$250 against their tax burden for any unreimbursed classroom expenses, including but not limited to: books, supplies, computer equipment, computer software, other equipment, and supplementary materials that are used in the classroom.

Senate Bill 122-A establishes a credit, not to exceed \$100 or \$200 for joint returns, against the taxes that are otherwise due under ORS chapter 316 for the classroom expenses of an educator that are paid or incurred during the tax year. “Educator” is defined as a teacher, administrator, counselor, or educational assistant in any grade from preschool through grade 12 at any public, private, or parochial school.