

# House Bill 2068

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

## 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**.

Increases amount of earned income credit allowed to personal income taxpayer to equal that allowed as federal credit, if taxpayer has dependent under age of three.

Applies to tax years beginning on or after January 1, 2016, and before January 1, 2020.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to increasing the earned income tax credit; creating new provisions; amending ORS 315.266;  
3 and prescribing an effective date.

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

5 **SECTION 1.** ORS 315.266 is amended to read:

6 315.266. (1)(a) In addition to any other credit available for purposes of ORS chapter 316, an el-  
7 igible resident individual shall be allowed a credit against the tax otherwise due under ORS chapter  
8 316 for the tax year in an amount equal to eight percent of the earned income credit allowable to  
9 the individual for the same tax year under section 32 of the Internal Revenue Code.

10 **(b) Notwithstanding paragraph (a) of this subsection, if the taxpayer has a dependent who**  
11 **is under the age of three at the close of the tax year, the credit allowed under this section**  
12 **shall equal the amount of the earned income credit allowable to the individual for the same**  
13 **tax year under section 32 of the Internal Revenue Code.**

14 (2) An eligible nonresident individual shall be allowed the credit computed in the same manner  
15 and subject to the same limitations as the credit allowed a resident by subsection (1) of this section.  
16 However, the credit shall be prorated using the proportion provided in ORS 316.117.

17 (3) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or if the  
18 Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the credit al-  
19 lowed by this section shall be prorated or computed in a manner consistent with ORS 314.085.

20 (4) If a change in the status of a taxpayer from resident to nonresident or from nonresident to  
21 resident occurs, the credit allowed by this section shall be determined in a manner consistent with  
22 ORS 316.117.

23 (5) If the amount allowable as a credit under this section, when added to the sum of the amounts  
24 allowable as payment of tax under ORS 316.187 or 316.583, other tax prepayment amounts and other  
25 refundable credit amounts, exceeds the taxes imposed by ORS chapters 314 and 316 for the tax year  
26 after application of any nonrefundable credits allowable for purposes of ORS chapter 316 for the tax  
27 year, the amount of the excess shall be refunded to the taxpayer as provided in ORS 316.502.

28 (6) The Department of Revenue may adopt rules for purposes of this section, including but not  
29 limited to rules relating to proof of eligibility and the furnishing of information regarding the federal  
30 earned income credit claimed by the taxpayer for the tax year.

**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 (7) Refunds attributable to the earned income credit allowed under this section shall not bear  
2 interest.

3 **SECTION 2.** The amendments to ORS 315.266 by section 1 of this 2015 Act apply to tax  
4 years beginning on or after January 1, 2016, and before January 1, 2020.

5 **SECTION 3.** This 2015 Act takes effect on the 91st day after the date on which the 2015  
6 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.

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