

A-Engrossed
House Bill 2113

Ordered by the House April 20
Including House Amendments dated April 20

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.

Extends sunset for tax credit for contributions to Office of Child Care. **Increases amount of tax credits for contributions for which office may issue certificates in calendar year. Applies to certificates issued on or after January 1, 2016. Takes effect on 91st day following adjournment sine die.**

A BILL FOR AN ACT

1
2 Relating to a tax credit for child care contributions; creating new provisions; amending ORS
3 329A.706 and section 13, chapter 674, Oregon Laws 2001; and prescribing an effective date.

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

5 **SECTION 1.** Section 13, chapter 674, Oregon Laws 2001, as amended by section 9, chapter 473,
6 Oregon Laws 2003, section 1, chapter 880, Oregon Laws 2007, and section 47, chapter 913, Oregon
7 Laws 2009, is amended to read:

8 **Sec. 13.** ORS 315.213 applies to tax years beginning on or after January 1, 2002, and before
9 January 1, [2016] **2022.**

10 **SECTION 2.** ORS 329A.706 is amended to read:

11 329A.706. (1) For the purpose of implementing the program established under ORS 329A.703, the
12 Early Learning Council, in collaboration with an advisory committee established by the council and
13 the Office of Child Care, shall:

14 (a) Adopt rules.

15 (b) Select a tax credit marketer who agrees to market tax credits to taxpayers.

16 (c) Identify child care goals that are consistent with the purposes provided in ORS 329A.703 (2).
17 The goals identified under this paragraph shall take into account state resources and needs.

18 (d) Develop by rule the application process an entity must complete to be designated as a com-
19 munity agency under ORS 329A.700 to 329A.718, and any process for the renewal of that designation.

20 (e) Select one or more community agencies.

21 (f) Enter into an agreement with each selected community agency to perform the functions
22 specified in ORS 329A.715.

23 (g) Determine the total value of moneys to be available to each selected community agency to
24 distribute to providers based on goals identified under paragraph (c) of this subsection, and distrib-
25 ute those moneys in the manner provided in ORS 329A.712 to the selected community agencies. The
26 total value of moneys available to all selected community agencies in this state may not exceed the

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 amount of contributions received from taxpayers during the tax year minus any reasonable admin-
2 istrative costs incurred by the Office of Child Care and the selected community agencies.

3 (2) The Early Learning Council may adopt rules that establish a fixed percentage that is less
4 than 100 percent by which the amount contributed by a taxpayer will be certified for a tax credit
5 by the Office of Child Care. The purpose of the grant of rulemaking authority under this subsection
6 is to permit the Early Learning Council to calibrate the amount of the tax credit to interpretations
7 of the deductibility of qualified contributions under section 170 of the Internal Revenue Code for
8 federal tax purposes.

9 (3)(a) The Office of Child Care shall issue tax credit certificates in the chronological order in
10 which the contributions are received by the office. The office shall issue tax credit certificates to
11 contributors until the total value of all certificates issued by the office for the calendar year equals
12 ~~[\$500,000]~~ **\$2.5 million**. Each issued certificate shall state the value of the contribution being certi-
13 fied as eligible for the tax credit allowed under ORS 315.213. Except as provided in rules adopted
14 under subsection (2) of this section, the certified value shall equal the amount of the contribution.

15 (b) The Office of Child Care may not issue a tax credit certificate to a taxpayer to the extent
16 the credit value to be certified, when added to the total credit value previously certified by the of-
17 fice under paragraph (a) of this subsection for the calendar year exceeds ~~[\$500,000]~~ **\$2.5 million**.

18 (c) The Office of Child Care shall send a copy of all tax credit certificates issued under this
19 section to the Department of Revenue.

20 (d) Qualified contributions shall be deposited in the Child Care Fund.

21 (4) A taxpayer that receives a notice of denial of a tax credit certificate or that receives a tax
22 credit certificate issued for an amount that is less than the amount contributed may request a refund
23 for the amount contributed within 90 days of the denial or issuance of the certificate by the Office
24 of Child Care. The Office of Child Care must send notice of a denial or changed amount and refund
25 the amount for which a tax credit will not be granted within 30 days after receiving the request.
26 The refund shall be made from the Child Care Fund.

27 (5) The Early Learning Council may establish by rule any other provisions required to imple-
28 ment the program established under ORS 329A.700 to 329A.718.

29 **SECTION 3. The amendments to ORS 329A.706 by section 2 of this 2015 Act apply to**
30 **certificates issued on or after January 1, 2016.**

31 **SECTION 4. This 2015 Act takes effect on the 91st day after the date on which the 2015**
32 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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