

A-Engrossed House Bill 2116

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 employment-related household services and dependent care expenses.]

Creates refundable tax credit for employment-related household services and dependent care expenses.

Applies to tax years beginning on or after January 1, 2016, and before January 1, 2022.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to tax credits for employment-related expenses; creating new provisions; amending ORS 316.502; and prescribing an effective date.

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

SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS chapter 315.

SECTION 2. (1)(a) A credit against the tax otherwise due under ORS chapter 316 shall be allowed a taxpayer in an amount equal to a percentage of employment-related expenses allowable pursuant to section 21 of the Internal Revenue Code, notwithstanding the limitation imposed by section 26 of the Internal Revenue Code, and limited as provided in paragraph (b) of this subsection.

(b) The employment-related expenses for which a credit is claimed under this section may not exceed \$12,000 for a taxpayer for which there is one qualifying individual, or \$24,000 for a taxpayer for which there are two or more qualifying individuals.

(2) The applicable percentage described in subsection (1) of this section shall be determined on the basis of federal adjusted gross income, as reflected on the federal return, whether or not a joint return, of the taxpayer for the tax year, expressed as a percentage of the federal poverty level adjusted for family size, in accordance with the following table:

Federal Adjusted	
Gross Income as	Applicable percentage based on age of youngest child
Percentage of Federal	at close of tax year
Poverty Level	

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.

				At least 6 years but less than 13, or at least 3 years	13 but less than 18 if disabled	18 years or older if disabled
1						
2						
3						
4						
5	Greater	Less than	Under 3	but less	than 18 if	older if
6	than	or equal to	years	than 6	disabled	disabled
7	0%	10%	10%	8%	5%	5%
8	10%	20%	20%	18%	15%	5%
9	20%	30%	30%	28%	25%	10%
10	30%	40%	40%	38%	35%	20%
11	40%	50%	50%	48%	45%	30%
12	50%	60%	55%	53%	50%	35%
13	60%	70%	60%	58%	55%	40%
14	70%	80%	65%	63%	60%	45%
15	80%	90%	70%	68%	65%	50%
16	90%	110%	75%	73%	70%	55%
17	110%	120%	70%	68%	65%	50%
18	120%	130%	65%	63%	60%	45%
19	130%	140%	59%	57%	54%	39%
20	140%	150%	53%	51%	48%	33%
21	150%	190%	50%	48%	45%	30%
22	190%	210%	45%	43%	40%	25%
23	210%	220%	40%	38%	35%	20%
24	220%	230%	35%	33%	30%	15%
25	230%	240%	30%	28%	25%	10%
26	240%	250%	20%	18%	15%	5%
27	250%	260%	10%	8%	5%	5%
28	260%	280%	6%	6%	4%	4%
29	280%	300%	4%	4%	4%	4%
30	300%	-	0%	0%	0%	0%

(3) The applicable percentage for a household in excess of eight members shall be calculated as if for a household size of eight members.

(4) The credit under this section is not allowed to a taxpayer with federal adjusted gross income in excess of 300 percent of the federal poverty level.

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

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

(7) If a change in the status of a taxpayer from resident to nonresident or from nonresident to resident occurs, the credit allowed by this section shall be determined in a manner

1 consistent with ORS 316.117.

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

8 **SECTION 3.** ORS 316.502 is amended to read:

9 316.502. (1) The net revenue from the tax imposed by this chapter, after deducting refunds and
10 amounts described in ORS 285B.630 and 285C.635, shall be paid over to the State Treasurer and held
11 in the General Fund as miscellaneous receipts available generally to meet any expense or obligation
12 of the State of Oregon lawfully incurred.

13 (2) A working balance of unreceipted revenue from the tax imposed by this chapter may be re-
14 tained for the payment of refunds, but such working balance shall not at the close of any fiscal year
15 exceed the sum of \$1 million.

16 (3) Moneys are continuously appropriated to the Department of Revenue to make:

17 (a) The refunds authorized under subsection (2) of this section; and

18 (b) The refund payments in excess of tax liability authorized under ORS 315.174, 315.262 and
19 315.266 and section 17, chapter 906, Oregon Laws 2007, and section 2 of this 2015 Act.

20 **SECTION 4.** Section 2 of this 2015 Act and the amendments to ORS 316.502 by section 3
21 of this 2015 Act apply to tax years beginning on or after January 1, 2016, and before January
22 1, 2022.

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