

Senate Bill 195

Sponsored by Senator FERRIOLI (Presession filed.)

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**.

Reduces personal income tax rates for certain taxpayers by modifying income tax brackets.
Applies to tax years beginning on or after January 1, 2015.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to personal income taxation; creating new provisions; amending ORS 316.037; and prescribing an effective date.

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

SECTION 1. ORS 316.037 is amended to read:

316.037. (1)(a) A tax is imposed for each taxable year on the entire taxable income of every resident of this state. The amount of the tax shall be determined in accordance with the following table:

[_____]

<i>If taxable income is:</i>	<i>The tax is:</i>
<i>Not over \$2,000</i>	<i>5% of taxable income</i>
<i>Over \$2,000 but not over \$5,000</i>	<i>\$100 plus 7% of the excess over \$2,000</i>
<i>Over \$5,000 but not over \$125,000</i>	<i>\$310 plus 9% of the excess over \$5,000</i>
<i>Over \$125,000</i>	<i>\$11,110 plus 9.9% of the excess over \$125,000</i>

[_____]

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.

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If taxable income is:	The tax is:
Not over \$6,300	5% of taxable income
Over \$6,300 but not over \$15,900	\$315 plus 7% of the excess over \$6,300
Over \$15,900 but not over \$125,000	\$987 plus 9% of the excess over \$15,900
Over \$125,000	\$10,806 plus 9.9% of the excess over \$125,000

(b) For tax years beginning in each calendar year, the Department of Revenue shall adopt a table that shall apply in lieu of the table contained in paragraph (a) of this subsection, as follows:

(A) Except as provided in subparagraph (D) of this paragraph, the minimum and maximum dollar amounts for each bracket for which a tax is imposed shall be increased by the cost-of-living adjustment for the calendar year.

(B) The rate applicable to any rate bracket as adjusted under subparagraph (A) of this paragraph *[shall]* **may** not be changed.

(C) The amounts setting forth the tax, to the extent necessary to reflect the adjustments in the rate brackets, shall be adjusted.

(D) The rate *[brackets]* **bracket** applicable to taxable income in excess of \$125,000 may not be adjusted.

(c) For purposes of paragraph (b) of this subsection, the cost-of-living adjustment for any calendar year is the percentage (if any) by which the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending August 31 of the prior calendar year exceeds the monthly averaged index for the second quarter of the calendar year *[1992]* **2015**.

(d) As used in this subsection, “U.S. City Average Consumer Price Index” means the U.S. City Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of Labor Statistics of the United States Department of Labor.

(e) If any increase determined under paragraph (b) of this subsection is not a multiple of \$50, the increase shall be rounded to the next lower multiple of \$50.

(2) A tax is imposed for each taxable year upon the entire taxable income of every part-year resident of this state. The amount of the tax shall be computed under subsection (1) of this section

1 as if the part-year resident were a full-year resident and shall be multiplied by the ratio provided
2 under ORS 316.117 to determine the tax on income derived from sources within this state.

3 (3) A tax is imposed for each taxable year on the taxable income of every full-year nonresident
4 that is derived from sources within this state. The amount of the tax shall be determined in ac-
5 cordance with the table set forth in subsection (1) of this section.

6 **SECTION 2. The amendments to ORS 316.037 by section 1 of this 2015 Act apply to tax**
7 **years beginning on or after January 1, 2015.**

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

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