

**PROPOSED AMENDMENTS TO
HOUSE BILL 2116**

1 In line 2 of the printed bill, after “expenses;” delete the rest of the line
2 and line 3 and insert “creating new provisions; amending ORS 316.502; and
3 prescribing an effective date.”.

4 Delete lines 5 through 7 and insert:

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

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

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

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

1 “ _____
 2 **Federal Adjusted**
 3 **Gross Income as** **Applicable percentage based on age of youngest child**
 4 **Percentage of Federal** **at close of tax year**
 5 **Poverty Level**
 6 “ _____

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

1	230%	240%	30%	28%	25%	10%
2	240%	250%	20%	18%	15%	5%
3	250%	260%	10%	8%	5%	5%
4	260%	280%	6%	6%	4%	4%
5	280%	300%	4%	4%	4%	4%
6	300%	-	0%	0%	0%	0%

7 “ _____

8 **“(3) The applicable percentage for a household in excess of eight**
9 **members shall be calculated as if for a household size of eight mem-**
10 **bers.**

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

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

18 **“(6) If a change in the taxable year of a taxpayer occurs as de-**
19 **scribed in ORS 314.085, or if the Department of Revenue terminates the**
20 **taxpayer’s taxable year under ORS 314.440, the credit allowed by this**
21 **section shall be prorated or computed in a manner consistent with**
22 **ORS 314.085.**

23 **“(7) If a change in the status of a taxpayer from resident to non-**
24 **resident or from nonresident to resident occurs, the credit allowed by**
25 **this section shall be determined in a manner consistent with ORS**
26 **316.117.**

27 **“(8) If the amount allowable as a credit under this section, when**
28 **added to the sum of the amounts allowable as payment of tax under**
29 **ORS 316.187 or 316.583, other tax prepayment amounts and other**
30 **refundable credit amounts, exceeds the taxes imposed by ORS chapters**

1 **314 and 316 for the tax year after application of any nonrefundable**
2 **credits allowable for purposes of ORS chapter 316 for the tax year, the**
3 **amount of the excess shall be refunded to the taxpayer as provided in**
4 **ORS 316.502.**

5 **“SECTION 3.** ORS 316.502 is amended to read:

6 “316.502. (1) The net revenue from the tax imposed by this chapter, after
7 deducting refunds and amounts described in ORS 285B.630 and 285C.635, shall
8 be paid over to the State Treasurer and held in the General Fund as mis-
9 cellaneous receipts available generally to meet any expense or obligation of
10 the State of Oregon lawfully incurred.

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

14 “(3) Moneys are continuously appropriated to the Department of Revenue
15 to make:

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

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

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

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

26