

**SB 163 STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

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**Prepared By:** Chris Allanach, Senior Economist

**Sub-Referral To:** Joint Committee On Tax Credits

**Meeting Dates:** 3/20

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**WHAT THE MEASURE DOES:**

Increases the Oregon Earned Income tax credit to 15 percent of the federal credit and doubles the personal exemption credit. First applies to tax year 2018.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

**BACKGROUND:**

Under current law, the Oregon Earned Income tax credit is 8 percent for most filers; it is 11 percent for filers with a dependent under the age of three. It is scheduled to sunset on January 1, 2020.

The personal exemption credit is \$197 for tax year 2017, so this policy would increase the credit to \$394 for 2017. It is indexed to inflation. It may be claimed by single filers with an AGI up to \$100,000 and joint filers with an AGI up to \$200,000. Eligible filers may claim one credit for the taxpayer and each dependent. Filers who are a dependent on some else's return may not claim the credit.