

D R A F T

SUMMARY

Reduces personal income tax.
Applies to tax years beginning on or after January 1, 2018.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to 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 de-
termined in accordance with the following table:

If taxable income is:	The tax is:
Not over \$2,000	[5%] 4.5% of taxable income
Over \$2,000 but not over \$5,000	[\$100] \$90 plus [7%] 6.5% of the excess over \$2,000

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	Over \$5,000 but not	
2	over \$125,000	[\$310] \$285 plus [9%] 8.5%
3		of the excess
4		over \$5,000
5		
6	Over \$125,000	[\$11,110] \$10,485 plus 9.9%
7		of the excess
8		over \$125,000

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

13 (A) Except as provided in subparagraph (D) of this paragraph, the mini-
 14 mum and maximum dollar amounts for each bracket for which a tax is im-
 15 posed shall be increased by the cost-of-living adjustment for the calendar
 16 year.

17 (B) The rate applicable to any rate bracket as adjusted under subpara-
 18 graph (A) of this paragraph shall not be changed.

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

21 (D) The rate brackets applicable to taxable income in excess of \$125,000
 22 may not be adjusted.

23 (c) For purposes of paragraph (b) of this subsection, the cost-of-living ad-
 24 justment for any calendar year is the percentage (if any) by which the
 25 monthly averaged U.S. City Average Consumer Price Index for the 12 con-
 26 secutive months ending August 31 of the prior calendar year exceeds the
 27 monthly averaged index for the second quarter of the calendar year 1992.

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

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

4 (2) A tax is imposed for each taxable year upon the entire taxable income
5 of every part-year resident of this state. The amount of the tax shall be
6 computed under subsection (1) of this section as if the part-year resident
7 were a full-year resident and shall be multiplied by the ratio provided under
8 ORS 316.117 to determine the tax on income derived from sources within this
9 state.

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

14 **SECTION 2. The amendments to ORS 316.037 by section 1 of this**
15 **2017 Act apply to tax years beginning on or after January 1, 2018.**

16 **SECTION 3. This 2017 Act takes effect on the 91st day after the date**
17 **on which the 2017 regular session of the Seventy-ninth Legislative**
18 **Assembly adjourns sine die.**

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