

# D R A F T

## SUMMARY

Increases personal income tax imposed on certain taxpayers by adding new bracket with higher marginal rate.

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 rates of personal income taxation; creating new provisions; amending ORS 316.037; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

**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:

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If taxable income is:	The tax is:
Not over \$2,000	5% of taxable income
Over \$2,000 but not over \$5,000	\$100 plus 7% 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 plus 9%
3		of the excess
4		over \$5,000
5		
6	Over \$125,000 <b>but not</b>	
7	<b>over \$250,000</b>	\$11,110 plus 9.9%
8		of the excess
9		over \$125,000
10		
11	<b>Over \$250,000</b>	<b>\$23,485 plus 13%</b>
12		<b>of the excess</b>
13		<b>over \$250,000</b>

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

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

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

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

26 (D) The rate brackets applicable to taxable income in excess of  
27 *[\$125,000]* **\$250,000** may not be adjusted.

28 (c) For purposes of paragraph (b) of this subsection, the cost-of-living ad-  
29 justment for any calendar year is the percentage (if any) by which the  
30 monthly averaged U.S. City Average Consumer Price Index for the 12 con-  
31 secutive months ending August 31 of the prior calendar year exceeds the

1 monthly averaged index for the second quarter of the calendar year 1992.

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

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

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

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

19 **SECTION 2. The amendments to ORS 316.037 by section 1 of this  
20 2017 Act apply to tax years beginning on or after January 1, 2018.**

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

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