## House Bill 2093

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of House Interim Committee on Rural Communities, Land Use and Water)

## **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 by modifying income tax brackets. Applies to tax years beginning on or after January 1, 2017. Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT 1 2 Relating to revenue; creating new provisions; amending ORS 316.037; and prescribing an effective 3 date. Be It Enacted by the People of the State of Oregon: 4 5 SECTION 1. ORS 316.037 is amended to read: 6 316.037. (1)(a) A tax is imposed for each taxable year on the entire taxable income of every 7 resident of this state. The amount of the tax shall be determined in accordance with the following 8 table: 9 10 11 If taxable income is: The tax is: 12 13 Not over \$2,000 5% of 14 taxable 15 income 16 17 Over \$2,000 but not 18 over \$5,000 \$100 plus 7% 19 of the excess 20 over \$2,000 21 22 Over \$5,000 but not 23 over \$125,000 \$310 plus 9% 24 of the excess 25 over \$5,000 26 27 Over \$125,000 \$11,110 plus 9.9% 28 of the excess 29 over \$125,000

**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.

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4	If taxable income is:	The tax is:	
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6	Not over \$20,000	<b>5</b> % <b>of</b>	
7		taxable	
8		income	
9			
10	Over \$20,000 but not		
11	over \$60,000	<b>\$1,000 plus 7</b> %	
12		of the excess	
13		over \$20,000	
14			
15	Over \$60,000 but not		
16	over \$125,000	<b>\$3,800 plus 9</b> %	
17		of the excess	
18		over \$60,000	
19			
20	Over \$125,000	<b>\$9,650 plus 9.9</b> %	
21		of the excess	
22		over \$125,000	
23			

(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] 2017.
- (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 th	e tax	shall	be	computed	under	subsect	tion	(1)	of thi	s sectio	n
as if the	pa	rt-ye	ear res	sident	t were a	full-	year	reside	nt a	and shall	be mu	ltiplied	by 1	the	ratio	provide	d
under OF	RS	316.	117 to	dete	rmine t	he tax	on i	ncome	e de	rived from	sourc	es withi	in th	nis s	state.		

- (3) A tax is imposed for each taxable year on the taxable income of every full-year nonresident that is derived from sources within this state. The amount of the tax shall be determined in accordance with the table set forth in subsection (1) of this section.
- SECTION 2. The amendments to ORS 316.037 by section 1 of this 2017 Act apply to tax years beginning on or after January 1, 2017.
- SECTION 3. This 2017 Act takes effect on the 91st day after the date on which the 2017 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.

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