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If taxable income is:	The tax is:
Not over \$20,000	5% of taxable income
Over \$20,000 but not over \$60,000	\$1,000 plus 7% of the excess over \$20,000
Over \$60,000 but not over \$125,000	\$3,800 plus 9% of the excess over \$60,000
Over \$125,000	\$9,650 plus 9.9% of the excess over \$125,000

(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

1 resident of this state. The amount of the tax shall be computed under subsection (1) of this section
2 as if the part-year resident were a full-year resident and shall be multiplied by the ratio provided
3 under ORS 316.117 to determine the tax on income derived from sources within this state.

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

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

9 **SECTION 3. This 2017 Act takes effect on the 91st day after the date on which the 2017**
10 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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