

House Bill 2234

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Veterans and Emergency Preparedness)

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**.

Creates subtraction from federal taxable income for benefits paid to surviving spouse or dependent child of service member.

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

Relating to a tax subtraction for military survivor benefits; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS chapter 316.

SECTION 2. (1) As used in this section:

(a) **"Blind"** has the meaning given that term in ORS 411.704.

(b) **"Disability"** has the meaning given that term in ORS 411.704.

(c) **"Qualifying benefit"** means amounts paid to the surviving spouse or dependent child of a service member under 10 U.S.C. 1448 or 1450, to the extent that the amounts are included in the surviving spouse's or dependent child's federal taxable income.

(2) **If a taxpayer is blind or has a disability, the total amount of any qualifying benefit the taxpayer receives during the tax year must be subtracted from federal taxable income.**

(3) **If a taxpayer is not blind and does not have a disability, the following amounts must be subtracted from federal taxable income:**

(a) **The total amount of any qualifying benefit the taxpayer receives during the tax year that is less than or equal to \$30,000; and**

(b) **Fifty percent of any qualifying benefit the taxpayer receives during the tax year that exceeds \$30,000.**

(4) **The Department of Veterans' Affairs, in consultation with the Department of Revenue, shall by rule establish criteria and policies for administering this section.**

SECTION 3. Section 2 of this 2017 Act applies to tax years that begin on or after January 1, 2017.

SECTION 4. This 2017 Act takes effect on the 91st day after the date on which the 2017 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

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.