

# House Bill 2415

Sponsored by Representative PARRISH (Pre-session filed.)

## 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 tax credit for educational expenses paid for special needs student attending private school or public school charging tuition.

Applies to tax years beginning on or after January 1, 2017, and before January 1, 2023.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to tax credits for educational expenses; and prescribing an effective date.

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

4 **SECTION 1. Sections 2 and 3 of this 2017 Act are added to and made a part of ORS**  
5 **chapter 315.**

6 **SECTION 2. As used in this section and section 3 of this 2017 Act:**

7 (1) "Eligible student" means a student who:

8 (a) Is a resident of this state;

9 (b) Is five years of age or older but not more than 21 years of age;

10 (c) Has not graduated from high school;

11 (d) Is enrolled in a private school or a school charging tuition under ORS 339.141 during  
12 the tax year for which the credit under section 3 of this 2017 Act is claimed; and

13 (e) Was enrolled in a public elementary or secondary school for at least 140 school days  
14 during a 12-month period that ends during the tax year for which the credit under section 3  
15 of this 2017 Act is claimed.

16 (2) "Eligible student with special needs" means an eligible student who:

17 (a)(A) Has been identified as being a child with a disability as defined in ORS 343.035; or

18 (B) Has an individualized education program as described in ORS 343.151; and

19 (b) Receives special education or related services on a daily basis.

20 (3) "Related services" has the meaning given that term in ORS 343.035.

21 (4) "Special education" has the meaning given that term in ORS 342.360.

22 **SECTION 3. (1) A credit against the taxes otherwise due under ORS chapter 316 shall be**  
23 **allowed for expenses actually paid or incurred during the tax year on behalf of an eligible**  
24 **student with special needs for whom the taxpayer is entitled to deduct a personal exemption**  
25 **under section 151(c) of the Internal Revenue Code for the tax year. The amount of the credit**  
26 **allowed under this subsection shall equal the amount paid in tuition and special education**  
27 **and related services expenses, not to exceed \$6,000 per tax year multiplied by the number of**  
28 **students for whom the taxpayer is claiming the credit.**

29 (2) A credit allowed under this section in one tax year may not exceed the tax liability  
30 of the taxpayer.

**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       **(3) The credit shall be claimed on a form prescribed by the Department of Revenue that**  
2 **contains the information required by the department.**

3       **(4) Any tax credit otherwise allowable under this section that is not used by the taxpayer**  
4 **in a particular year may be carried forward and offset against the taxpayer's tax liability for**  
5 **the next succeeding tax year. Any credit remaining unused in the next succeeding tax year**  
6 **may be carried forward and used in the second succeeding tax year, and likewise, any credit**  
7 **not used in that second succeeding tax year may be carried forward and used in the third**  
8 **succeeding tax year, but may not be carried forward for any tax year thereafter.**

9       **(5) In the case of a credit allowed under this section for purposes of ORS chapter 316:**

10       **(a) A nonresident shall be allowed the credit under this section in the proportion provided**  
11 **in ORS 316.117.**

12       **(b) If a change in the status of a taxpayer from resident to nonresident or from nonres-**  
13 **ident to resident occurs, the credit allowed by this section shall be determined in a manner**  
14 **consistent with ORS 316.117.**

15       **(c) A husband and wife who file separate returns for a taxable year may each claim a**  
16 **share of the tax credit that would have been allowed on a joint return in proportion to the**  
17 **contribution of each.**

18       **(d) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or**  
19 **if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the**  
20 **credit allowed under this section shall be prorated or computed in a manner consistent with**  
21 **ORS 314.085.**

22       **(6) The Department of Revenue shall establish by rule policies and procedures for deter-**  
23 **mining eligibility of taxpayers seeking to claim the credit allowed under this section.**

24       **SECTION 4. Sections 2 and 3 of this 2017 Act apply to tax years beginning on or after**  
25 **January 1, 2017, and before January 1, 2023.**

26       **SECTION 5. This 2017 Act takes effect on the 91st day after the date on which the 2017**  
27 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

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