

House Bill 3005

Sponsored by Representatives HAYDEN, PARRISH

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 refundable credit against personal income taxes for housing rental payments. Limits availability based on household income. Applies to tax years beginning on or after January 1, 2018, and before January 1, 2024.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credits for housing rental payments; creating new provisions; amending ORS 316.502;
3 and prescribing an effective date.

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

5 **SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS chapter 315.**

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

7 (a) **"Eligible rental payment" means rent paid by an eligible renter for the eligible**
8 **renter's principal residence during the tax year.**

9 (b) **"Eligible renter" means an individual who in the tax year pays rent for the**
10 **individual's principal residence and has household income that does not exceed 300 percent**
11 **of the federal poverty guidelines based on the individual's household size and household**
12 **members.**

13 (2) **A credit shall be allowed against the taxes otherwise due under ORS chapter 316 for**
14 **eligible rental payments. The amount of the credit allowed shall equal the lesser of:**

15 (a) **The eligible rental payments made by the taxpayer during the tax year; or**

16 (b) **\$2,500.**

17 (3) **A taxpayer may claim the credit allowed under this section if the taxpayer:**

18 (a) **Makes at least eight months of eligible rental payments during the tax year.**

19 (b) **Receives and retains adequate documentation of eligible rental payments to substan-**
20 **tiate eligibility for the credit allowed under this section.**

21 (4) **The Department of Revenue may:**

22 (a) **Adopt rules for carrying out the provisions of this section; and**

23 (b) **Prescribe the form used to claim a credit and the information required on the form.**

24 (5) **If the amount allowable as a credit under this section, when added to the sum of the**
25 **amounts allowable as payment of tax under ORS 316.187 (withholding), ORS 316.583 (esti-**
26 **imated tax), other tax prepayment amounts and other refundable credit amounts, exceeds the**
27 **taxes imposed by ORS chapters 314 and 316 for the tax year (reduced by any nonrefundable**
28 **credits allowable for purposes of ORS chapter 316 for the tax year), the amount of the excess**
29 **shall be refunded to the taxpayer as provided in ORS 316.502.**

30 (6) **In the case of a credit allowed under this section:**

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

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

6 **SECTION 3.** ORS 316.502 is amended to read:

7 316.502. (1) The net revenue from the tax imposed by this chapter, after deducting refunds and
8 amounts described in ORS 285B.630 and 285C.635, shall be paid over to the State Treasurer and held
9 in the General Fund as miscellaneous receipts available generally to meet any expense or obligation
10 of the State of Oregon lawfully incurred.

11 (2) A working balance of unreceipted revenue from the tax imposed by this chapter may be re-
12 tained for the payment of refunds, but such working balance shall not at the close of any fiscal year
13 exceed the sum of \$1 million.

14 (3) Moneys are continuously appropriated to the Department of Revenue to make:

15 (a) The refunds authorized under subsection (2) of this section; and

16 (b) The refund payments in excess of tax liability authorized under ORS 315.174, 315.262, 315.264
17 and 315.266 and section 17, chapter 906, Oregon Laws 2007, **and section 2 of this 2017 Act.**

18 **SECTION 4.** (1) **Section 2 of this 2017 Act applies to tax years beginning on or after**
19 **January 1, 2018, and before January 1, 2024.**

20 (2) **The amendments to ORS 316.502 by section 3 of this 2017 Act apply to tax years be-**
21 **ginning on or after January 1, 2018.**

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

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