

Senate Bill 159

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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 income tax credit to offset household energy costs for taxpayers meeting income requirements. 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 household tax credit for household energy costs; creating new provisions; amending ORS
3 316.502; 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 taxpayer" means a taxpayer with a household income at or below 300 percent**
8 **of the federal poverty guidelines.**

9 (b) **"Household energy costs" means the total cost to provide heat, light and power for**
10 **an owner-occupied principal residence.**

11 (2) **An eligible taxpayer shall be allowed a credit against taxes that are otherwise due**
12 **under ORS chapter 316 for the tax year in an amount equal to:**

13 (a) **Six percent of the taxpayer's household energy costs during the tax year for taxpay-**
14 **ers with a household income at or below 100 percent of the federal poverty guidelines.**

15 (b) **Four percent of the taxpayer's household energy costs during the tax year for tax-**
16 **payers with a household income above 100 percent but less than 200 percent of the federal**
17 **poverty guidelines.**

18 (c) **Two percent of the taxpayer's household energy costs during the tax year for tax-**
19 **payers with a household income at or above 200 percent but 300 percent or less of the federal**
20 **poverty guidelines.**

21 (3) **For each tax year for which a credit is claimed under this section, the taxpayer shall**
22 **maintain records sufficient to prove the taxpayer's eligibility for the credit allowed under**
23 **this section. A taxpayer shall maintain the records required under this subsection for at**
24 **least five years.**

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

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 (5) A nonresident shall be allowed the credit under this section. The credit shall be
 2 computed in the same manner and be subject to the same limitations as the credit granted
 3 to a resident. However, the credit shall be prorated using the proportion provided in ORS
 4 316.117.

5 (6) If a change in the taxable year of the taxpayer occurs as described in ORS 314.085,
 6 or if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440,
 7 the credit allowed by this section shall be prorated or computed in a manner consistent with
 8 ORS 314.085.

9 (7) If a change in the status of a taxpayer from resident to nonresident or from nonres-
 10 ident to resident occurs, the credit allowed by this section shall be determined in a manner
 11 consistent with ORS 316.117.

12 (8) Spouses who file separate returns for a taxable year may each claim a share of the
 13 tax credit that would have been allowed on a joint return in proportion to the adjusted gross
 14 income of each.

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

16 316.502. (1) The net revenue from the tax imposed by this chapter, after deducting refunds and
 17 amounts described in ORS 285B.630 and 285C.635, shall be paid over to the State Treasurer and held
 18 in the General Fund as miscellaneous receipts available generally to meet any expense or obligation
 19 of the State of Oregon lawfully incurred.

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

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

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

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

27 **SECTION 4.** Section 2 of this 2017 Act and the amendments to ORS 316.502 by section 3
 28 of this 2017 Act apply to tax years beginning on or after January 1, 2017.

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