

Senate Bill 160

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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 for qualified senior homeowners with property tax assessment greater than 10 percent of adjusted gross income. 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 tax credits for senior homeowners; creating new provisions; amending ORS 316.502; and
3 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) **"Homestead" means an owner-occupied principal residence.**

8 (b) **"Income" means the federal adjusted gross income of the taxpayer with the additions,
9 subtractions and other modifications to federal taxable income that relate to adjusted gross
10 income for personal income tax purposes.**

11 (c) **"Qualified senior homeowner" means an individual with an income below \$40,000 who,
12 at the close of the tax year, is 65 years of age or older and is the record owner of a residence.**

13 (2) **A credit against taxes that are otherwise due under ORS chapter 316 shall be allowed
14 to a taxpayer who is a qualified senior homeowner issued a property tax statement listing
15 an amount due for the taxpayer's homestead that is greater than 10 percent of the
16 taxpayer's income.**

17 (3) **The credit allowed under this section shall be equal to 50 percent of any amount due
18 on the taxpayer's property tax statement for the taxpayer's homestead that exceeds 10 per-
19 cent of the taxpayer's income.**

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

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 mated 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.**

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 (6) 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 (7) 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 (8) 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 (9) 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 (10) Notwithstanding subsection (5) of this section, amounts that would otherwise be
16 distributed to a taxpayer under subsection (5) of this section with respect to a homestead
17 granted deferral under ORS 311.666 to 311.701 shall be paid to the credit of the account
18 maintained for the deferred property by the Department of Revenue pursuant to ORS 311.676.
19 The department shall notify the taxpayer upon making a payment to the account under this
20 subsection.

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

22 316.502. (1) The net revenue from the tax imposed by this chapter, after deducting refunds and
23 amounts described in ORS 285B.630 and 285C.635, shall be paid over to the State Treasurer and held
24 in the General Fund as miscellaneous receipts available generally to meet any expense or obligation
25 of the State of Oregon lawfully incurred.

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

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

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

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

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

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

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