

***Draft

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
79th Oregon Legislative Assembly
2018 Regular Session
Legislative Revenue Office

Bill Number: HB 4028 - 11
Revenue Area: Income Taxes
Economist: Kyle Easton
Date: 2/21/2018

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Amends Working family household and dependent care tax credit. Provides monthly imputed income amount for enrolled degree-seeking students. For students with adjusted gross income as a percentage of federal poverty level less than 110 percent, calculates credit to equal product of the lesser of, qualifying individual expenses or imputed income, multiplied by school ratio multiplied by applicable credit percentage as specified. Specifies school ratio equal to 100 percent for a month when a student is full-time or 70 percent when student is part-time.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2018-19		2017-19	2019-21	2021-23
General Fund	-\$2.8		-\$2.8	-\$5.8	-\$6.2

Impact Explanation:

Measure expands availability of working family household and dependent care tax credit, primarily for students with income less than 110% of federal poverty level. To qualify as a student, individual is required to be attending school as a degree-seeking student enrolled on a full-time or part-time basis and be qualified for student financial aid.

Measure reinstates limit on amount of employment-related expenses to lesser amount attributable to either spouse on a combined return.

Estimated impacts were derived from a combination of sources relating to dependent care expenses and income amount for students with children. Basis for estimating number of enrolled degree-seeking students qualified for student financial aid was based upon number of students that have submitted completed Free Application for Federal Student Aid.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is