

SB 195 STAFF MEASURE SUMMARY

Senate Committee On Human Services

Prepared By: Jamie Hinsz, LPRO Analyst

Sub-Referral To: Joint Committee On Tax Expenditures

Meeting Dates: 3/14

WHAT THE MEASURE DOES:

Removes one of three limitations on the amount of expenses that may be claimed to receive the Working Family Household and Dependent Care tax credit: the limitation based on the earned income of an individual spouse filing a joint return, for tax years beginning on or after January 1, 2018. Aligns sunsets on two other tax credits: the additional credit for severely disabled persons and the additional personal exemption tax credit for their spouses. Takes effect 91st day after adjournment *sine die*.

REVENUE: May have revenue impact, but no statement yet issued.

FISCAL: Has minimal fiscal impact.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Senate Bill 195 impacts three different tax credits available to disabled individuals or those who care for them.

Currently, the amount of employment-related dependent care expenses that may be claimed to receive Oregon's Working Family Household and Dependent Care tax credit, are limited so as not to exceed whichever of the following three alternatives is the least amount: the taxpayer's earned income; the lesser of either spouse's earned income on a joint return; or specified fixed amounts for one, or more than one, qualifying individual. Senate Bill 195 removes the second limitation that is particular to joint returns. The measure also aligns the sunset dates on two other credits: the additional credit for severely disabled persons and the additional personal exemption tax credit for their spouses.