

**FISCAL IMPACT OF PROPOSED LEGISLATION**

81st Oregon Legislative Assembly – 2021 Regular Session  
Legislative Fiscal Office

**Measure: HB 2721**

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

---

Prepared by: Michael Graham  
Reviewed by: Zane Potter  
Date: April 5, 2021

---

**Measure Description:**

Allows dependent care income tax credit to be claimed for expenses to allow taxpayer or spouse to attend school as enrolled degree-seeking student.

**Government Unit(s) Affected:**

Department of Revenue (DOR)

**Analysis:**

This fiscal impact statement is for the purpose of transmitting the measure from the House Committee on Human Services to the House Committee on Revenue.

House Bill 2721 allows an individual to claim the Working Family Household and Dependent Care income tax credit for care of a dependent to allow a taxpayer or spouse to attend school as an enrolled degree-seeking student. The measure limits expenses to a combination of earned income taxable by Oregon and imputed income, using the lesser amount attributable to either spouse on a joint return. It will use the combined total of earned income, including imputed income, when determining the credit amount, rather than the lesser of each spouse’s earned income, including imputed income. The measure provides for calculation based upon imputed income to allow the degree-seeking enrolled student to claim the credit. The changes apply to tax years beginning on or after January 1, 2020 and before January 1, 2022. The measure takes effect 91 days after adjournment *sine die*.

The measure is anticipated to have an impact on the Department of Revenue.

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the House Committee on Revenue.

**Further Analysis Required**