

Senate Bill 842

Sponsored by Senator ANDERSON

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 income tax subtraction for recovery rebates paid to personal income taxpayers. Directs Department of Revenue to make refund payments of overpayments due to operation of subtraction as soon as practicable.

Applies to tax years beginning on or after January 1, 2020, and before January 1, 2022.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a subtraction for recovery rebates received by taxpayers; and prescribing an effective
3 date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 and 4 of this 2021 Act are added to and made a part of ORS**
6 **chapter 316.**

7 **SECTION 2. (1) In computing Oregon taxable income for the purposes of this chapter,**
8 **there shall be subtracted from federal taxable income any amount received as a payment or**
9 **credit by the taxpayer under sections 6428 and 6428A of the Internal Revenue Code, if for the**
10 **tax year the taxpayer had federal taxes accrued.**

11 **(2) The subtraction under this section shall equal the lesser of:**

12 **(a) The amount received in the tax year under sections 6428 and 6428A of the Internal**
13 **Revenue Code; or**

14 **(b) The federal taxes accrued by the taxpayer, determined before allowance of any credit**
15 **under section 6428 or 6428A of the Internal Revenue Code, for the tax year.**

16 **(3) The subtraction under this section in any tax year shall be reduced, but not below**
17 **zero, by the amount, if any, by which the sum of the subtraction allowed under ORS 316.680**
18 **and 316.685 for federal taxes accrued and the amount received for the tax year under sections**
19 **6428 and 6428A of the Internal Revenue Code exceeds the maximum subtraction allowed for**
20 **federal taxes accrued by the taxpayer, as computed under ORS 316.695.**

21 **SECTION 3. Section 2 of this 2021 Act applies to tax years beginning on or after January**
22 **1, 2020, and before January 1, 2022.**

23 **SECTION 4. (1) If the subtraction allowed under section 2 of this 2021 Act results in an**
24 **overpayment of tax, the Department of Revenue shall make a refund of the overpaid amount**
25 **as soon as practicable.**

26 **(2) If, for tax years beginning in calendar year 2020, the taxpayer has filed an original**
27 **return on or before April 15, 2021, the department shall make any refund described in sub-**
28 **section (1) of this section owed to the taxpayer not later than November 1, 2021, or 30 days**
29 **after the effective date of this 2021 Act, whichever is later.**

30 **(3) Refunds paid under this section shall be paid with interest as provided in ORS 314.415.**

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 **SECTION 5.** This 2021 Act takes effect on the 91st day after the date on which the 2021
2 regular session of the Eighty-first Legislative Assembly adjourns sine die.
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