

# Senate Bill 853

Sponsored by Senator THOMSEN

## 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 credit against income taxes for expenses incurred for services of tutors. Establishes criteria including income eligibility. Provides that taxpayer may either claim tax credit or use tutoring reimbursement program. Directs Department of Education to make determinations of eligibility for tax credit or tutoring reimbursement program.

Applies to tax years beginning on or after January 1, 2021, and before January 1, 2027.

Directs Department of Education to develop tutoring reimbursement program. Establishes criteria including income eligibility. Establishes Restorative Education Equity Fund. Becomes operative on later of effective date of Act or October 1, 2021.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1 Relating to tutoring; and prescribing an effective date.

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

3 **SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS chapter 315.**

4 **SECTION 2. (1) As used in this section and section 4 of this 2021 Act, "tutor" means a**  
5 **person who:**

6 (a) **Is licensed by the Teacher Standards and Practices Commission or licensed or ac-**  
7 **credited by any state, regional or national accreditation organization recognized by the**  
8 **United States Department of Education;**

9 (b) **Is eligible to work as a teacher in this state;**

10 (c) **Has taught at an institution of higher education;**

11 (d) **Is a subject matter expert; or**

12 (e) **Is otherwise approved by the Department of Education.**

13 (2) **A credit shall be allowed against the taxes otherwise due under ORS chapter 316 for**  
14 **expenses incurred for services of tutors. The amount of the credit under this section shall**  
15 **equal the least of:**

16 (a) **The amount of expenses incurred for all services of tutors by the taxpayer during the**  
17 **tax year;**

18 (b) **The tax liability of the taxpayer; or**

19 (c) **\$2,000.**

20 (3) **In order to be eligible for the credit allowed under this section, a taxpayer shall:**

21 (a) **Have adjusted gross income not greater than the 60th percentile in this state;**

22 (b) **Be the legal parent or guardian, as defined in ORS 109.572, of a child who receives**  
23 **services of a tutor during the tax year; and**

24 (c) **Receive a determination of eligibility from the Department of Education under section**  
25 **4 of this 2021 Act.**

26 (4) **A taxpayer may not receive a credit under this section for any tax year in which the**  
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**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 taxpayer has received reimbursement under section 4 of this 2021 Act.

2 (5) The Department of Revenue, after consultation with the Department of Education,  
3 may:

4 (a) Adopt rules for carrying out the provisions of this section; and

5 (b) Prescribe the form used to claim a credit and the information required on the form,  
6 including information substantiating that the taxpayer has complied with this section.

7 (6) In the case of a credit allowed under this section:

8 (a) A nonresident shall be allowed the credit under this section in the proportion provided  
9 in ORS 316.117.

10 (b) If a change in the status of a taxpayer from resident to nonresident or from nonres-  
11 ident to resident occurs, the credit allowed under this section shall be determined in a  
12 manner consistent with ORS 316.117.

13 (c) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or  
14 if the department terminates the taxpayer's taxable year under ORS 314.440, the credit al-  
15 lowed under this section shall be prorated or computed in a manner consistent with ORS  
16 314.085.

17 **SECTION 3.** Section 2 of this 2021 Act applies to tax years beginning on or after January  
18 1, 2021, and before January 1, 2027.

19 **SECTION 4.** (1) The Department of Education shall develop a tutoring reimbursement  
20 program for students entering kindergarten through grade 12. The program shall provide  
21 reimbursement for services of tutors provided to students, including services provided during  
22 the summer months between school years.

23 (2) The department shall determine whether a legal parent or guardian is eligible to re-  
24 ceive reimbursement under this section or a credit under section 2 of this 2021 Act. A parent  
25 may participate in the reimbursement program established under this section by submitting  
26 an application to the department on the form and in the time and manner required by the  
27 department.

28 (3) In order to be eligible for reimbursement under this section, a person shall:

29 (a) Have adjusted gross income not greater than the 60th percentile in this state;

30 (b) Be the legal parent or guardian, as defined in ORS 109.572, of a child who receives  
31 services of a tutor; and

32 (c) Receive a determination of eligibility from the department under this section.

33 (4) Reimbursements under this section shall be paid out of the Restorative Education  
34 Equity Fund established under section 6 of this 2021 Act and may not exceed \$2,000 per stu-  
35 dent in any 12-month period.

36 (5) The State Board of Education shall adopt rules to carry out the provisions of this  
37 section.

38 **SECTION 5.** Students who participate in the tutoring reimbursement program established  
39 under section 4 of this 2021 Act and who are enrolled in or entering grades 9 through 12 may  
40 receive one elective credit. The Department of Education shall establish the number of hours  
41 of tutoring that the student must receive to earn an elective credit under this section.

42 **SECTION 6.** (1) The Restorative Education Equity Fund is established in the State  
43 Treasury, separate and distinct from the General Fund. Interest earned by the Restorative  
44 Education Equity Fund shall be credited to the fund. All moneys credited to the fund are  
45 continuously appropriated to the Department of Education for the payment of reimburse-

1 ments and administrative expenses of the department under section 4 of this 2021 Act.

2 (2) The Restorative Education Equity Fund consists of:

3 (a) Moneys appropriated to the fund by the Legislative Assembly; and

4 (b) Any other moneys deposited in the fund from state or federal sources.

5 SECTION 7. Sections 4 to 6 of this 2021 Act become operative on the later of the effective  
6 date of this 2021 Act or October 1, 2021.

7 SECTION 8. In addition to and not in lieu of any other appropriation, there is appropri-  
8 ated to the Department of Education, for the biennium beginning July 1, 2021, out of the  
9 General Fund, the amount of \$3,000,000, to be transferred to the Restorative Education Eq-  
10 uity Fund established under section 6 of this 2021 Act.

11 SECTION 9. This 2021 Act takes effect on the 91st day after the date on which the 2021  
12 regular session of the Eighty-first Legislative Assembly adjourns sine die.

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