

## Parameters of HB 3235A -A10, -A11

- Refundable personal income tax credit for taxpayers with qualifying child dependent(s)
- Credit phase-out using OR modified adjusted gross income (FAGI + additions – subtractions + losses > \$20K)
- Credit not subject to garnishment

Version	Credit Amt.	Child Age	Phase-Out (OR MAGI)	Notes	Eff. Date
-A10	\$1,000	< 6 yrs. at end of tax year (TY), max 5	All Filers: \$25K - \$30K No married filing separately	CPI adjustment for credit & initial phase-out amount, phase-out range constant 5,000	TYs 2023 - 2028
-A11	Credit parameters identical to -A10. <ul style="list-style-type: none"> <li>• Provides for quarterly payments to credit recipients for 50% of amount of credit               <ul style="list-style-type: none"> <li>○ DOR required to establish quarterly payments by rule following statutory framework</li> </ul> </li> <li>• Requires DHS to seek federal waiver from offset of SNAP resulting from quarterly credit payments</li> <li>• Quarterly payments occur beginning in January of year immediately following 30 days after receiving federal waiver</li> </ul>				

### Estimated Revenue Impact

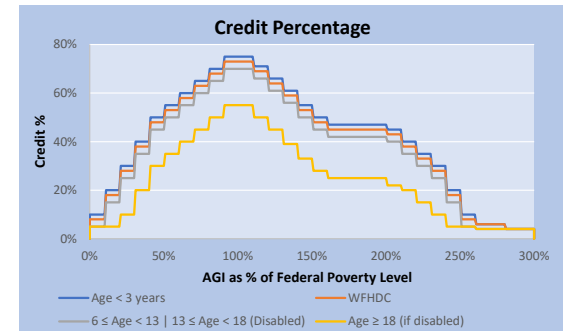
- Estimated that 40,000 dependent children will qualify beginning in 2023, most by head of household taxpayers
- Absent CPI adjustment, revenue impact would decrease over time

	Fiscal Year		Biennium		
	2023-24	2024-25	2023-25	2025-27	2027-29
<b>General Fund</b>	<b>-\$35.2</b>	<b>-\$36.3</b>	<b>-\$71.5</b>	<b>-\$74.1</b>	<b>-\$77.5</b>

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## Oregon Child Tax Credit (CTC), other Refundable OR Tax Credits

- Oregon’s earned income tax credit (EITC) is a percentage of federal EITC
  - 9% of federal
  - 12% of federal for taxpayers with youngest dependent under 3
- Oregon’s Working Family Household and Dependent Care (WFHDC) credit
  - Taxpayers with employment related dependent care expenses (primarily child care)
  - Credit based on AGI as percentage of Federal Poverty Level (Increases and then decreases)



Avg. Credit Amt. Used by AGI Category, TY 2020 - Full Year Filers		
AGI (000's)	Avg. Amount	Pct. of Tot.
<0	\$331	0%
0-5	\$258	0%
5-10	\$611	2%
10-15	\$948	5%
15-20	\$1,131	8%
20-25	\$1,158	10%
25-30	\$1,207	12%
30-35	\$1,253	14%
35-40	\$1,133	12%
40-45	\$982	10%
45-50	\$800	7%
50-60	\$816	9%
60-70	\$540	5%
70-80	\$431	3%
80-90	\$378	1%
90-100	\$369	0%
100-250	\$395	0%
250-500	\$0	0%
500+	\$0	0%
<b>Total</b>	<b>\$925</b>	<b>100%</b>

