

HOUSE AMENDMENTS TO A-ENGROSSED HOUSE BILL 3235

By JOINT COMMITTEE ON TAX EXPENDITURES

June 21

1 On page 1 of the printed A-engrossed bill, line 5, delete “Section 2 of this 2023 Act is” and insert
2 “Sections 2 to 5 of this 2023 Act are”.

3 Delete lines 12 through 14 and insert:

4 “(c) ‘Qualifying income limit’ means:

5 “(A) For a taxpayer other than a taxpayer described in subparagraph (B) of this paragraph, ad-
6 justed gross income, as defined in section 62 of the Internal Revenue Code, as modified using Oregon
7 subtractions and additions, but with losses of a taxpayer added back, to the extent that those losses
8 exceed \$20,000; or

9 “(B) For a nonresident or part-year resident, the greater of the amount determined under sub-
10 paragraph (A) of this paragraph, or adjusted gross income, as defined in section 62 of the Internal
11 Revenue Code.”.

12 In line 15, delete “resident”.

13 Delete lines 22 through 24.

14 On page 2, delete lines 1 through 15 and insert:

15 “(3) The credit under this section:

16 “(a) Shall be in an amount of \$1,000 per dependent of the taxpayer, but, if the taxpayer has a
17 qualifying income limit in excess of \$25,000, regardless of the type of income tax return filed by the
18 taxpayer, the total amount of the credit shall be reduced as provided in subsection (4) of this sec-
19 tion.

20 “(b) May not be claimed if the percentage calculated in subsection (4) of this section is greater
21 than or equal to 100 percent.

22 “(c) May not be claimed by a married taxpayer who files a separate return.

23 “(4) If a reduction under subsection (3) of this section is required, the amount by which the
24 credit shall be reduced is computed by multiplying the amount otherwise available under subsection
25 (3) of this section by a percentage. The percentage is computed by dividing, by 5,000, the amount
26 by which the taxpayer’s qualifying income limit exceeds \$25,000.”.

27 Delete line 17 and insert “adjust the dollar amounts of the credit and of the income threshold
28 set forth in subsections (3) and (4) of this section”.

29 In line 22, delete “2023” and insert “2022”.

30 After line 35, insert:

31 “(7) A nonresident or part-year resident shall be allowed the credit under this section in the
32 same manner and, aside from the taxpayer’s applicable qualifying income limit, subject to the same
33 limitations as a resident. However, the credit shall be prorated using the proportion provided in ORS
34 316.117.”.

35 In line 36, delete “(7)” and insert “(8)”.

1 In line 40, delete “(8)” and insert “(9)”.

2 In line 43, delete “(9)” and insert “(10)”.

3 After line 44, insert:

4 **“SECTION 3. (1) The Department of Revenue shall establish by rule a program for mak-**
5 **ing quarterly payments to taxpayers that, in the aggregate during any calendar year, equal**
6 **the annual advance amount determined under subsection (2) of this section with respect to**
7 **a taxpayer for the calendar year. Except as provided in subsection (2)(c)(B) of this section,**
8 **the periodic payments made to any taxpayer for any calendar year shall be in equal amounts.**
9 **Quarterly payments under this section may be made only to taxpayers confirmed by the de-**
10 **partment to be Oregon residents.**

11 **“(2)(a) Except as otherwise provided in this subsection, the annual advance amount ap-**
12 **plicable to a taxpayer for any calendar year shall be calculated as 50 percent of the amount**
13 **that would be allowed under section 2 of this 2023 Act for the tax year beginning in that**
14 **calendar year assuming the following conditions:**

15 **“(A) The status of the taxpayer as eligible for the credit allowed under section 2 of this**
16 **2023 Act is determined with respect to the reference tax year;**

17 **“(B) The taxpayer’s modified adjusted gross income for the tax year is equal to the**
18 **taxpayer’s modified adjusted gross income for the reference tax year;**

19 **“(C) The only children of the taxpayer for the tax year are qualifying children properly**
20 **claimed on the taxpayer’s tax return for the reference tax year; and**

21 **“(D) The ages of the taxpayer’s children and the status of the children as qualifying**
22 **children are determined for the tax year by taking into account the passage of time since**
23 **the reference tax year.**

24 **“(b) Except as provided in paragraph (c)(A) of this subsection, the taxpayer’s reference**
25 **tax year shall be determined, with respect to any taxpayer for any calendar year, the**
26 **taxpayer’s tax year beginning in the preceding calendar year or, in the case of taxpayer who**
27 **did not file a tax return for the tax year, the taxpayer’s tax year beginning in the second**
28 **preceding calendar year.**

29 **“(c)(A) The department may modify, during any calendar year, the annual advance**
30 **amount with respect to any taxpayer for the calendar year to take into account:**

31 **“(i) A tax return filed by the taxpayer during the calendar year and the tax year to which**
32 **the return relates may be taken into account as the reference tax year; and**

33 **“(ii) Any other information provided by the taxpayer to the department or otherwise**
34 **available to the department that allows the department to determine payments under para-**
35 **graph (a) of this subsection that, in the aggregate during any tax year of the taxpayer, more**
36 **closely total the department’s estimate of the amount treated as allowed under section 2 of**
37 **this 2023 Act for the tax year of the taxpayer.**

38 **“(B) In the case of any modification of the annual advance amount under subparagraph**
39 **(A) of this paragraph, the department may adjust the amount of any periodic payment made**
40 **after the date of the modification to properly take into account the amount by which any**
41 **periodic payment made before the date was greater than or less than the amount that the**
42 **payment would have been on the basis of the annual advance amount as so modified.**

43 **“(d) If information contained in the taxpayer’s tax return for the reference tax year does**
44 **not establish the eligibility status of the taxpayer under section 2 of this 2023 Act, the de-**
45 **partment shall, for purposes of paragraph (a)(A) of this subsection, determine the status**

1 based on information known to the department.

2 “(e) A child shall not be taken into account in determining the annual advance amount
3 under paragraph (a) of this subsection if the death of the child is known to the department
4 as of the beginning of the calendar year for which the estimate under paragraph (a) of this
5 subsection is made.

6 “(3) The department shall establish a system that allows taxpayers to:

7 “(a) Elect not to receive payments under this section; and

8 “(b) Provide information to the department which would be relevant to a modification
9 under subsection (2)(c)(A) of this section of the annual advance amount, including informa-
10 tion regarding:

11 “(A) A change in the number of the taxpayer’s qualifying children, including by reason
12 of the birth of a child;

13 “(B) A change in the taxpayer’s marital status;

14 “(C) A significant change in the taxpayer’s income; and

15 “(D) Any other factor which the department may consider.

16 “(4) Not later than January 31 of the calendar year following any calendar year during
17 which the department makes one or more payments to any taxpayer under this section, the
18 department shall provide the taxpayer with a written notice of the aggregate amount of the
19 payments made under this section to the taxpayer during the calendar year, and other in-
20 formation as the department determines appropriate.

21 “(5) A quarterly payment under this section may not be made if the amount of the
22 quarterly payment is calculated to be less than \$25.

23 “SECTION 3a. (1) The Department of Revenue, in reviewing the personal income tax re-
24 turns of all individuals who have received payments under section 3 of this 2023 Act, shall:

25 “(a) Confirm that, for the tax year during which payments began as provided under sec-
26 tion 4 of this 2023 Act, the taxpayer has claimed a credit under section 2 of this 2023 Act;

27 “(b) Reconcile the amounts claimed under section 2 of this 2023 Act against the amounts
28 disbursed under section 3 of this 2023 Act and against the taxpayer’s underlying tax liability,
29 if imposed; and

30 “(c) Determine whether there is a difference in amounts claimed versus amounts dis-
31 bursed and assess a deficiency against the taxpayer or provide a refund.

32 “(2) If a taxpayer who has received any advance payments established under section 3
33 of this 2023 Act does not claim a credit under section 2 of this 2023 Act, or does not provide
34 sufficient substantiation of eligibility for the claimed amount, the Department of Revenue
35 shall notify the taxpayer of any overpayment attributable to the installment payments made
36 under section 3 of this 2023 Act.

37 “(3) The Department of Revenue shall discontinue payments under section 3 of this 2023
38 Act if the department discovers that the taxpayer:

39 “(a) Has moved out of this state since first receiving payments;

40 “(b) Has changed or is likely to change tax filing status; or

41 “(c) Is not reasonably likely to qualify for the tax credit under section 2 of this 2023 Act
42 for the next upcoming tax year for which advance payments are otherwise to be made.

43 “(4) Except as otherwise provided in this section and sections 2 and 3 of this 2023 Act or
44 where the context requires otherwise, the provisions of ORS chapters 305 and 314 as to the
45 audit and examination of returns, periods of limitation, determination of and notices of de-

1 **iciencies, assessments, collections, liens, delinquencies, claims for refund and refunds, con-**
2 **ferences, appeals to the Oregon Tax Court, stays of collection pending appeal, confidentiality**
3 **of returns and the penalties relative thereto, and the procedures relating thereto, apply to**
4 **the determinations of taxes, penalties and interest under this section and sections 2 and 3**
5 **of this 2023 Act.**

6 **“SECTION 4. The Department of Revenue shall begin quarterly payments under section**
7 **3 of this 2023 Act during the second year immediately following the year in which section 3**
8 **of this 2023 Act becomes operative under section 5 of this 2023 Act, and shall continue to**
9 **make quarterly payments in each year thereafter, provided that the payments continue not**
10 **to affect eligibility for federal public assistance programs, under a waiver described in sec-**
11 **tion 6 of this 2023 Act or another condition described in section 5 (2) of this 2023 Act.**

12 **“SECTION 5. Section 3 of this 2023 Act becomes operative 30 days after whichever of the**
13 **following occurs first:**

14 **“(1) The United States Department of Agriculture approves the request for waiver under**
15 **section 6 of this 2023 Act; or**

16 **“(2) The Department of Revenue receives notice that the requirement to include recur-**
17 **ring or nonrecurring state payments of income tax refunds, rebates or credits in income-**
18 **based eligibility determinations for any federal public assistance program is abrogated as a**
19 **consequence of:**

20 **“(a) The enactment of federal legislation;**

21 **“(b) A decision by a controlling court from which there is no further right of appeal; or**

22 **“(c) Publication of federal regulations, guidelines, memoranda or any other official action**
23 **taken by a federal agency with the authority to alter income-based eligibility determinations**
24 **for federal public assistance programs.**

25 **“SECTION 6. (1) No later than 90 days after the effective date of this 2023 Act, the De-**
26 **partment of Human Services shall submit to the United States Department of Agriculture a**
27 **request for approval to waive the requirements of 7 U.S.C. 2014(d)(18) in order to exclude**
28 **quarterly distributions of an advance payment of the tax credit allowed under section 2 of**
29 **this 2023 Act from consideration in determining eligibility for supplemental nutrition assist-**
30 **ance.**

31 **“(2) The department shall report the status of the request to the Legislative Assembly**
32 **no later than September 15, 2024, and annually thereafter until September 15 following the**
33 **date that the United States Department of Agriculture approves or denies the request for**
34 **waiver.**

35 **“SECTION 7. Section 6 of this 2023 Act is repealed on January 1, 2029.”.**

36 In line 45, delete “3” and insert “8”.

37 On page 3, line 14, delete “4” and insert “9”.

38 On page 4, line 36, delete “5” and insert “10”.

39 On page 7, line 33, delete “6” and insert “11”.

40 In line 34, delete “2024” and insert “2023” and delete “2030” and insert “2029”.

41 In line 35, delete “7” and insert “12”.