

# DRAFT

## SUMMARY

Establishes refundable credit against personal income taxes for contributions to higher education savings network account.

Applies to tax years beginning on or after January 1, 2020, and before January 1, 2026.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

Relating to a tax credit for contributions to higher education savings accounts; and prescribing an effective date.

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

**SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 315.**

**SECTION 2. (1) A credit against taxes otherwise imposed under ORS chapter 316 is allowed for amounts contributed during the tax year to a savings network account for higher education established under ORS 178.300 to 178.355. The amount of the credit allowed under this section must equal the amount contributed, but may not exceed \$\_\_\_\_\_.**

**(2) A taxpayer is allowed a credit under this section only if the taxpayer has an adjusted gross income that does not exceed \$100,000 on a joint return, or \$50,000 on any other type of return.**

**(3) A taxpayer may claim both the credit allowed under this section and the subtraction allowed in ORS 316.699 (1)(a) for the same tax year.**

**(4) If the amount allowable as a credit under this section, when added to the sum of the amounts allowable as payment of tax under ORS 316.187 (withholding), ORS 316.583 (estimated tax), other tax pre-**

1 payment amounts and other refundable credit amounts, exceeds the  
2 taxes imposed by ORS chapters 314 and 316 for the tax year (reduced  
3 by any nonrefundable credits allowable for purposes of ORS chapter  
4 316 for the tax year), the amount of the excess must be refunded to  
5 the taxpayer as provided in ORS 316.502.

6 (5) The credit must be claimed on a form prescribed by the De-  
7 partment of Revenue that contains the information required by the  
8 department.

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

10 (a) A nonresident is allowed the credit in the proportion provided  
11 in ORS 316.117.

12 (b) If a change in the status of the taxpayer from resident to non-  
13 resident or from nonresident to resident occurs, the credit must be  
14 determined in a manner consistent with ORS 316.117.

15 (c) If a change in the taxable year of the taxpayer occurs as de-  
16 scribed in ORS 314.085, or if the department terminates the taxpayer's  
17 taxable year under ORS 314.440, the credit must be prorated or com-  
18 puted in a manner consistent with ORS 314.085.

19 SECTION 3. Section 2 of this 2019 Act applies to tax years beginning  
20 on or after January 1, 2020, and before January 1, 2026.

21 SECTION 4. This 2019 Act takes effect on the 91st day after the date  
22 on which the 2019 regular session of the Eightieth Legislative Assem-  
23 bly adjourns sine die.