

HB 2133 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 4/4, 5/9

WHAT THE MEASURE DOES:

Extends to January 1, 2026, sunset of personal income tax credit available to individuals aged 62 years or older that receive certain taxable retirement income.

ISSUES DISCUSSED:

- Overview of credit
- Historic cost and number of beneficiaries of the credit
- No public testimony received.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Enacted in 2001, individuals aged 62 years or older that receive certain taxable retirement income may qualify for a tax credit equal to nine percent of their qualified net pension income. For purposes of tax credit, qualified pension income means income included in Oregon taxable income from: an employee pension benefit plan, employee annuity accounts, deferred compensation plans, individual retirement accounts, and federal/state/local public retirement system.

Net pension income qualifying for the credit is limited to \$7,500 (\$15,000 joint return) minus Social Security benefits minus household income over \$15,000 (\$30,000 joint). These two limitations effectively cause the credit to phaseout potentially with each additional dollar of Social Security income received or with each additional dollar of pension income above \$15,000 (\$30,000 joint).