

## HB 2133 STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Action Date:** 05/09/19

**Action:** Do pass. Refer to Tax Expenditures.

**Vote:** 5-0-2-0

**Yeas:** 5 - Findley, Marsh, Nathanson, Reschke, Smith G

**Exc:** 2 - Hernandez, Smith Warner

**Fiscal:** No fiscal impact

**Revenue:** Revenue impact issued

**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 4/4, 5/9

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#### 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).