

House Bill 2757

Sponsored by Representative DOHERTY

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows personal income and corporate excise taxpayers to subtract from taxable income amounts paid as principal of or interest on qualified education loans, if borrower is taxpayer or spouse, or dependent or employee of taxpayer. Reduces amount of allowed subtraction by amounts of interest deducted on federal return.

Applies to interest paid in tax years beginning on or after January 1, 2019, and before January 1, 2025.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to income tax subtractions for student loan payments; and prescribing an effective date.

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

4 **SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 316.**

5 **SECTION 2. (1) In computing Oregon taxable income for purposes of this chapter, there**
6 **shall be subtracted from federal taxable income an amount equal to the principal and inter-**
7 **est payments made by a taxpayer during the tax year on any qualified education loan:**

8 (a) **If the borrower is a person listed on the return; and**

9 (b) **If the borrower is an employee of the taxpayer.**

10 (2) **The amount of subtraction allowed under subsection (1) of this section shall be re-**
11 **duced by any deduction allowed for the same loan to the borrower or any other taxpayer for**
12 **the tax year under section 221 of the Internal Revenue Code.**

13 **SECTION 3. Section 4 of this 2019 Act is added to and made a part of ORS chapter 317.**

14 **SECTION 4. In computing Oregon taxable income for purposes of this chapter, there**
15 **shall be subtracted from federal taxable income an amount equal to the principal and inter-**
16 **est payments made by a taxpayer during the tax year on any qualified education loan, if the**
17 **borrower is an employee of the taxpayer. The amount of subtraction allowed shall be reduced**
18 **by any deduction allowed for the same loan to the borrower or any other taxpayer for the**
19 **tax year under section 221 of the Internal Revenue Code.**

20 **SECTION 5. Sections 2 and 4 of this 2019 Act apply to loan payments made in tax years**
21 **beginning on or after January 1, 2019, and before January 1, 2025.**

22 **SECTION 6. This 2019 Act takes effect on the 91st day after the date on which the 2019**
23 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.