

House Bill 2868

Sponsored by Representative RESCHKE; Representatives HELT, NEARMAN, STARK

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**.

Creates income tax credit for foster parents.
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

1
2 Relating to a tax credit for foster parents; creating new provisions; amending ORS 316.502; and
3 prescribing an effective date.

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

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

6 **SECTION 2. (1) A credit against taxes that are otherwise due under ORS chapter 316**
7 **shall be allowed to a taxpayer who maintains or boards foster children in a foster home op-**
8 **erated under ORS 418.625 to 418.645 for more than two months during the tax year. The**
9 **credit allowed shall be in the amount of \$250 for each foster child who resides in the foster**
10 **home for more than two months during the tax year.**

11 **(2) For each tax year for which a credit is claimed under this section, the taxpayer shall**
12 **maintain records sufficient to prove the taxpayer's eligibility for the credit allowed under**
13 **this section. A taxpayer shall maintain the records required under this subsection for at**
14 **least five years.**

15 **(3) If the amount allowable as a credit under this section, when added to the sum of the**
16 **amounts allowable as payment of tax under ORS 316.187 (withholding), ORS 316.583 (esti-**
17 **imated tax), other tax prepayment amounts and other refundable credit amounts, exceeds the**
18 **taxes imposed by ORS chapters 314 and 316 for the tax year (reduced by any nonrefundable**
19 **credits allowable for purposes of ORS chapter 316 for the tax year), the amount of the excess**
20 **shall be refunded to the taxpayer as provided in ORS 316.502.**

21 **(4) A nonresident shall be allowed the credit under this section. The credit shall be**
22 **computed in the same manner and be subject to the same limitations as the credit granted**
23 **to a resident. However, the credit shall be prorated using the proportion provided in ORS**
24 **316.117.**

25 **(5) If a change in the taxable year of the taxpayer occurs as described in ORS 314.085,**
26 **or if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440,**
27 **the credit allowed by this section shall be prorated or computed in a manner consistent with**
28 **ORS 314.085.**

29 **(6) If a change in the status of a taxpayer from resident to nonresident or from nonres-**
30 **ident to resident occurs, the credit allowed by this section shall be determined in a manner**
31 **consistent with ORS 316.117.**

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.

1 **(7) Spouses who file separate returns for a taxable year may each claim a share of the**
2 **tax credit that would have been allowed on a joint return in proportion to the adjusted gross**
3 **income of each.**

4 **SECTION 3.** ORS 316.502 is amended to read:

5 316.502. (1) The net revenue from the tax imposed by this chapter, after deducting refunds and
6 amounts described in ORS 285B.630 and 285C.635, shall be paid over to the State Treasurer and held
7 in the General Fund as miscellaneous receipts available generally to meet any expense or obligation
8 of the State of Oregon lawfully incurred.

9 (2) A working balance of unreceipted revenue from the tax imposed by this chapter may be re-
10 tained for the payment of refunds, but such working balance shall not at the close of any fiscal year
11 exceed the sum of \$1 million.

12 (3) Moneys are continuously appropriated to the Department of Revenue to make:

13 (a) The refunds authorized under subsection (2) of this section; and

14 (b) The refund payments in excess of tax liability authorized under ORS 315.174, 315.262, 315.264
15 and 315.266 and section 17, chapter 906, Oregon Laws 2007, **and section 2 of this 2019 Act.**

16 **SECTION 4.** **Section 2 of this 2019 Act applies to tax years beginning on or after January**
17 **1, 2020, and before January 1, 2026.**

18 **SECTION 5.** **This 2019 Act takes effect on the 91st day after the date on which the 2019**
19 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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