

# House Bill 2250

Sponsored by Representative BOSHART DAVIS (Presession filed.)

## 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**.

Establishes personal income tax credit of \$1,000 per qualifying child.  
Applies to tax years beginning on or after January 1, 2022, and before January 1, 2028.  
Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

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

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

5 **SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS chapter 315.**

6 **SECTION 2. (1) As used in this section:**

7 (a) **"Eligible foster child" has the meaning given that term in section 152 of the Internal**  
8 **Revenue Code.**

9 (b) **"Qualifying child" has the meaning given that term in section 152(c) of the Internal**  
10 **Revenue Code, determined without regard to section 152(c)(1)(D) of the Internal Revenue**  
11 **Code, except that it is limited to an individual who is under the age of 18 years at the close**  
12 **of the tax year.**

13 (2) **A taxpayer shall be allowed a credit against the taxes otherwise due under ORS**  
14 **chapter 316 in the amount of \$1,000 for each qualifying child of the taxpayer.**

15 (3) **The credit claimed under this section may not exceed the tax liability of the taxpayer**  
16 **for the tax year.**

17 (4) **Notwithstanding subsection (3) of this section, if the amount allowable as a credit**  
18 **under this section, when added to the sum of the amounts allowable as payment of tax under**  
19 **ORS 316.187 (withholding), ORS 316.583 (estimated tax), other tax prepayment amounts and**  
20 **other refundable credit amounts, exceeds the taxes imposed by ORS chapters 314 and 316 for**  
21 **the tax year (reduced by any nonrefundable credits allowable for purposes of ORS chapter**  
22 **316 for the tax year), the amount of the excess shall be refunded to the taxpayer as provided**  
23 **in ORS 316.502 if:**

24 (a) **The taxpayer's federal adjusted gross income does not exceed 150 percent of the fed-**  
25 **eral poverty level; or**

26 (b) **The qualifying child for whom the credit amount is allowed is an eligible foster child.**

27 (5) **A nonresident shall be allowed the credit under this section. The credit shall be**  
28 **computed in the same manner and be subject to the same limitations as the credit granted**  
29 **to a resident. However, the credit shall be prorated using the proportion provided in ORS**  
30 **316.117.**

31 (6) **If a change in the taxable year of the taxpayer occurs as described in ORS 314.085,**

**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 or if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440,  
2 the credit allowed by this section shall be prorated or computed in a manner consistent with  
3 ORS 314.085.

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

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

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

11 316.502. (1) The net revenue from the tax imposed by this chapter, after deducting refunds and  
12 amounts described in ORS 285B.630 and 285C.635, shall be paid over to the State Treasurer and held  
13 in the General Fund as miscellaneous receipts available generally to meet any expense or obligation  
14 of the State of Oregon lawfully incurred.

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

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

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

20 (b) The refund payments in excess of tax liability authorized under ORS 315.174, 315.262, 315.264  
21 and 315.266 and section 17, chapter 906, Oregon Laws 2007, **and section 2 of this 2021 Act.**

22 **SECTION 4. Section 2 of this 2021 Act applies to tax years beginning on or after January**  
23 **1, 2022, and before January 1, 2028.**

24 **SECTION 5. This 2021 Act takes effect on the 91st day after the date on which the 2021**  
25 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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