

Senate Bill 462

Sponsored by Senator GIROD (Pre-session 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**.

Creates credit against personal income taxes for amounts paid as interest on qualified education loans.

Applies to tax years beginning on or after January 1, 2021, and before January 1, 2027.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credits for interest paid on qualified education loans; and prescribing an effective
3 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, "qualified education loan" has the meaning given**
7 **that term in section 221 of the Internal Revenue Code.**

8 **(2) A credit shall be allowed against the taxes otherwise due under ORS chapter 316 for**
9 **interest paid by the taxpayer during the tax year on any qualified education loan. The**
10 **amount of the credit allowed shall equal the interest paid, less any amount allowed as a de-**
11 **duction on the taxpayer's federal return under section 221 of the Internal Revenue Code.**

12 **(3) The Department of Revenue may:**

13 **(a) Adopt rules for carrying out the provisions of this section; and**

14 **(b) Prescribe the form used to claim a credit and the information required on the form.**

15 **(4) In the case of a credit allowed under this section:**

16 **(a) A nonresident shall be allowed the credit under this section in the proportion provided**
17 **in ORS 316.117.**

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

21 **(c) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or**
22 **if the department terminates the taxpayer's taxable year under ORS 314.440, the credit al-**
23 **lowed under this section shall be prorated or computed in a manner consistent with ORS**
24 **314.085.**

25 **SECTION 3. Section 2 of this 2021 Act applies to tax years beginning on or after January**
26 **1, 2021, and before January 1, 2027.**

27 **SECTION 4. This 2021 Act takes effect on the 91st day after the date on which the 2021**
28 **regular session of the Eighty-first 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.