

House Bill 2177

Sponsored by Representatives SMITH DB, WRIGHT (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**.

Creates income tax credit for teachers in rural schools.
Applies to tax years beginning on or after January 1, 2024, and before January 1, 2030.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a tax credit for rural teachers; and prescribing an effective date.

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

4 **SECTION 1. Section 2 of this 2023 Act is added to and made a part of ORS chapter 315.**

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

6 (a) **“Qualified metropolitan statistical area” means only those counties of a metropolitan**
7 **statistical area that are located in Oregon if the largest city within the metropolitan statis-**
8 **tical area is located in Oregon.**

9 (b) **“Rural area” has the meaning given that term in ORS 285C.350.**

10 (2) **A credit against the taxes otherwise due under ORS chapter 316 shall be allowed to**
11 **a resident or nonresident individual who is:**

12 (a) **Employed, for at least 600 hours during the tax year, as a teacher at a school located**
13 **in a rural area; and**

14 (b) **Licensed under ORS 342.125.**

15 (3) **The amount of the credit allowed shall be based on the distance of the school at which**
16 **the taxpayer is employed from the largest city within a qualified metropolitan statistical**
17 **area:**

18 (a) **If at least 10 miles but fewer than 20 miles, \$3,000.**

19 (b) **If at least 20 miles but fewer than 50 miles, \$4,000.**

20 (c) **If 50 or more miles, \$5,000.**

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 **SECTION 3.** Section 2 of this 2023 Act applies to tax years beginning on or after January
2 1, 2024, and before January 1, 2030.

3 **SECTION 4.** This 2023 Act takes effect on the 91st day after the date on which the 2023
4 regular session of the Eighty-second Legislative Assembly adjourns sine die.

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