

House Bill 2623

Sponsored by Representative LEVY B, Senator HANSELL, Representative HIEB; Representatives DEXTER, OWENS, SMITH DB, WRIGHT, Senator WEBER (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 income tax credit for child care workers employed in rural areas.
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 child care workers; 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) **"Certified child care facility" means a child care facility that has been certified or has**
7 **been issued a temporary certification by the Office of Child Care under ORS 329A.300.**

8 (b) **"Child care facility" has the meaning given that term in ORS 329A.250.**

9 (c) **"Qualified metropolitan statistical area" means only those counties of a metropolitan**
10 **statistical area that are located in Oregon if the largest city within the metropolitan statis-**
11 **tical area is located in Oregon.**

12 (d) **"Rural area" has the meaning given that term in ORS 285C.350.**

13 (e) **"Staff member" means a person employed by a child care facility who may perform**
14 **some child care duties without being supervised by another employee.**

15 (2) **A credit against the taxes otherwise due under ORS chapter 316 shall be allowed to**
16 **a resident or nonresident individual who is employed, for at least 600 hours during the tax**
17 **year, as a staff member at a certified child care facility located in a rural area.**

18 (3) **The credit is allowed under this section only if:**

19 (a) **The child care facility that employs the taxpayer is certified or has been issued a**
20 **temporary certification by the Office of Child Care under ORS 329A.300; and**

21 (b) **All of the staff members have received 18 or more clock hours of training related to**
22 **child care during the tax year, or any child care staff member employed for less than one**
23 **year has received at least 1.5 clock hours of training related to child care for each month**
24 **of employment.**

25 (4) **The amount of the credit allowed shall be based on the distance of the certified child**
26 **care facility at which the taxpayer is employed from the largest city within a qualified met-**
27 **ropolitan statistical area as follows:**

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

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

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

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 (5) The credit must be claimed on a form prescribed by the Department of Revenue that
2 contains the information required by the department.

3 (6) A nonresident shall be allowed the credit under this section. The credit shall be
4 computed in the same manner and be subject to the same limitations as the credit granted
5 to a resident. However, the credit shall be prorated using the proportion provided in ORS
6 316.117.

7 (7) If a change in the taxable year of the taxpayer occurs as described in ORS 314.085,
8 or if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440,
9 the credit allowed by this section shall be prorated or computed in a manner consistent with
10 ORS 314.085.

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

14 SECTION 3. Section 2 of this 2023 Act applies to tax years beginning on or after January
15 1, 2024, and before January 1, 2030.

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