

## HOUSE AMENDMENTS TO HOUSE BILL 3235

By COMMITTEE ON EARLY CHILDHOOD AND HUMAN SERVICES

March 31

1 On page 1 of the printed bill, delete lines 6 through 28.

2 On page 2, delete lines 1 through 27 and insert:

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

4 **“(a) ‘Dependent’ means an individual who is under the age of six years at the close of the**  
5 **tax year and who is a dependent of a taxpayer as described in section 152(a) of the Internal**  
6 **Revenue Code, determined without regard to section 152(b)(3) of the Internal Revenue Code.**

7 **“(b) ‘Qualifying child’ has the meaning given that term in section 152(c) of the Internal**  
8 **Revenue Code.**

9 **“(c) ‘Qualifying income limit’ means federal adjusted gross income, as modified using**  
10 **Oregon subtractions and additions, but with losses of a taxpayer added back, to the extent**  
11 **that losses exceed \$20,000.**

12 **“(2) A resident taxpayer shall be allowed a credit against the tax otherwise due under**  
13 **ORS chapter 316 for the tax year, with an amount allowed for each dependent of the taxpayer**  
14 **who is a qualifying child with respect to the taxpayer, not to exceed five properly claimed**  
15 **dependents per tax return. The credit shall be allowed as provided in subsections (3) and (4)**  
16 **of this section. A taxpayer may claim a credit under this section using an individual taxpayer**  
17 **identification number and may claim it for dependents using individual taxpayer identifica-**  
18 **tion numbers.**

19 **“(3) The credit under this section:**

20 **“(a) May not be claimed by a taxpayer with a qualifying income limit in excess of \$50,000,**  
21 **if the taxpayer files a joint return or files a return as a surviving spouse or a head of**  
22 **household, or in excess of \$30,000, if the taxpayer files any other type of income tax return.**

23 **“(b) Shall be in an amount of \$1,200 per dependent of the taxpayer, but, if the taxpayer**  
24 **has a qualifying income limit in excess of \$40,000, if the taxpayer files a joint return or files**  
25 **a return as a surviving spouse or a head of household, or has a qualifying income limit in**  
26 **excess of \$20,000, if the taxpayer files any other type of income tax return, the total amount**  
27 **of the credit shall be reduced as provided in subsection (4)(a) or (b) of this section.**

28 **“(4) If a reduction under subsection (3) of this section is required, the amount by which**  
29 **the credit shall be reduced is computed by multiplying the amount otherwise available under**  
30 **subsection (3) of this section by a percentage. The percentage is computed:**

31 **“(a) By dividing, by 10,000, the amount by which the taxpayer’s qualifying income limit,**  
32 **if the taxpayer files a joint return or files as a surviving spouse or a head of household, ex-**  
33 **ceeds \$40,000; or**

34 **“(b) By dividing, by 10,000, the amount by which the taxpayer’s qualifying income limit,**  
35 **if the taxpayer files an income tax return other than a joint return or as a surviving spouse**

1 or a head of household, exceeds \$20,000.

2 “(5)(a) For tax years beginning in each calendar year, the Department of Revenue shall  
3 adjust all credit amounts and thresholds set forth in subsections (3) and (4) of this section  
4 by multiplying each dollar amount by the cost-of-living adjustment for the calendar year.

5 “(b) For purposes of paragraph (a) of this subsection, the cost-of-living adjustment for  
6 any calendar year is the percentage (if any) by which the monthly averaged U.S. City Aver-  
7 age Consumer Price Index for the 12 consecutive months ending August 31 of the prior cal-  
8 endar year exceeds the monthly averaged index for the second quarter of the calendar year  
9 2023.

10 “(c) As used in this subsection, ‘U.S. City Average Consumer Price Index’ means the U.S.  
11 City Average Consumer Price Index for All Urban Consumers (All Items) as published by the  
12 Bureau of Labor Statistics of the United States Department of Labor.

13 “(d) If any increase determined under paragraph (a) of this subsection is not a multiple  
14 of \$50, the increase shall be rounded to the next lower multiple of \$50.

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

21 “(b) The credit under this section shall be computed after the allowance of any other  
22 credit or offset against tax liability.

23 “(7) If a change in the tax year of a taxpayer occurs as described in ORS 314.085, or if  
24 the Department of Revenue terminates the taxpayer’s tax year under ORS 314.440, the credit  
25 allowed by this section shall be prorated or computed in a manner consistent with ORS  
26 314.085.

27 “(8) If a change in the status of a taxpayer from resident to nonresident or from non-  
28 resident to resident occurs, the credit allowed by this section shall be determined in a man-  
29 ner consistent with ORS 316.117.

30 “(9) Refunds attributable to the child tax credit allowed under this section do not bear  
31 interest.”.

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