

Senate Bill 447

Sponsored by Senator HAYDEN (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**.

Allows personal income taxpayer to subtract from taxable income amounts paid as interest on qualified education loans, if income does not exceed threshold amount. Limits amount of subtraction. Reduces amount of subtraction by amount of interest deducted on federal return.

Applies to interest paid in 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 Relating to an income tax subtraction for student loan interest; and prescribing an effective date.

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

3 **SECTION 1. Section 2 of this 2023 Act is added to and made a part of ORS chapter 316.**

4 **SECTION 2. (1) In computing Oregon taxable income for purposes of this chapter, there**
5 **shall be subtracted from federal taxable income amounts paid as interest by a taxpayer**
6 **during the tax year on any qualified education loan, if the taxpayer is named as a borrower**
7 **on the loan.**

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9 **(2) A taxpayer may claim the subtraction under this section only if the taxpayer's ad-**
10 **justed gross income does not exceed \$150,000, if reported on a joint return, or \$75,000 for all**
11 **other types of returns.**

12 **(3) The subtraction allowed under this section may not exceed the lesser of:**

13 **(a) \$2,000, if reported on a joint return, or \$1,000 for all other types of returns; or**

14 **(b) The amount paid as interest by the taxpayer on all qualified education loans during**
15 **the tax year.**

16 **(4) The amount of the subtraction allowed under this section shall be reduced by any**
17 **deduction allowed for the same loan to the borrower or any other taxpayer for the tax year**
18 **under section 221 of the Internal Revenue Code.**

19 **SECTION 3. Section 2 of this 2023 Act applies to loan payments made in tax years be-**
20 **ginning on or after January 1, 2024, and before January 1, 2030.**

21 **SECTION 4. This 2023 Act takes effect on the 91st day after the date on which the 2023**
22 **regular session of the Eighty-second 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.