

HB 3235-6  
(LC 4310)  
3/24/23 (CMT/ps)

Requested by HOUSE COMMITTEE ON EARLY CHILDHOOD AND HUMAN SERVICES (at the request of Representative Andrea Valderrama)

**PROPOSED AMENDMENTS TO  
HOUSE BILL 3235**

1 On page 1 of the printed bill, line 2, delete “and 316.502;” and insert “,  
2 314.840 and 316.502;”.

3 Delete lines 6 through 28.

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

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

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

10 **“(b) ‘Qualifying child’ has the meaning given that term in section**  
11 **152(c) of the Internal Revenue Code.**

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

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

1 for dependents using individual taxpayer identification numbers.

2 “(3) The credit under this section:

3 “(a) May not be claimed by a taxpayer with a qualifying income  
4 limit in excess of \$50,000, if the taxpayer files a joint return or files a  
5 return as a surviving spouse or a head of household, or in excess of  
6 \$30,000, if the taxpayer files any other type of income tax return.

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

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

18 “(a) By dividing, by 10,000, the amount by which the taxpayer’s  
19 qualifying income limit, if the taxpayer files a joint return or files as  
20 a surviving spouse or a head of household, exceeds \$40,000; or

21 “(b) By dividing, by 10,000, the amount by which the taxpayer’s  
22 qualifying income limit, if the taxpayer files an income tax return  
23 other than a joint return or as a surviving spouse or a head of  
24 household, exceeds \$20,000.

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

29 “(b) For purposes of paragraph (a) of this subsection, the cost-of-  
30 living adjustment for any calendar year is the percentage (if any) by

1 which the monthly averaged U.S. City Average Consumer Price Index  
2 for the 12 consecutive months ending August 31 of the prior calendar  
3 year exceeds the monthly averaged index for the second quarter of the  
4 calendar year 2023.

5 “(c) As used in this subsection, ‘U.S. City Average Consumer Price  
6 Index’ means the U.S. City Average Consumer Price Index for All Ur-  
7 ban Consumers (All Items) as published by the Bureau of Labor Sta-  
8 tistics of the United States Department of Labor.

9 “(d) If any increase determined under paragraph (a) of this sub-  
10 section is not a multiple of \$50, the increase shall be rounded to the  
11 next lower multiple of \$50.

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

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

22 “(7) An eligible nonresident individual shall be allowed the credit  
23 computed in the same manner and subject to the same eligibility re-  
24 quirements as the credit allowed a resident by subsection (2) of this  
25 section. However, the credit shall be prorated using the proportion  
26 provided in ORS 316.117.

27 “(8) If a change in the tax year of a taxpayer occurs as described  
28 in ORS 314.085, or if the Department of Revenue terminates the  
29 taxpayer’s tax year under ORS 314.440, the credit allowed by this sec-  
30 tion shall be prorated or computed in a manner consistent with ORS

1 **314.085.**

2 **“(9) If a change in the status of a taxpayer from resident to non-**  
3 **resident or from nonresident to resident occurs, the credit allowed by**  
4 **this section shall be determined in a manner consistent with ORS**  
5 **316.117.**

6 **“(10) Refunds attributable to the child tax credit allowed under this**  
7 **section do not bear interest.**

8 **“(11) Any amount of excess that is to be refunded a taxpayer under**  
9 **subsection (6) of this section shall be paid to the taxpayer with a clear**  
10 **indication that the payment is a credit refund and is not subject to**  
11 **garnishment, whether made via check or direct deposit.**

12 **“SECTION 2a.** ORS 314.840 is amended to read:

13 **“314.840. (1) The Department of Revenue may:**

14 **“(a) Furnish any taxpayer, representative authorized to represent the**  
15 **taxpayer under ORS 305.239 or person designated by the taxpayer under ORS**  
16 **305.193, upon request of the taxpayer, representative or designee, with a copy**  
17 **of the taxpayer’s income tax return filed with the department for any year,**  
18 **or with a copy of any report filed by the taxpayer in connection with the**  
19 **return, or with any other information the department considers necessary.**

20 **“(b) Publish lists of taxpayers who are entitled to unclaimed tax refunds.**

21 **“(c) Publish statistics so classified as to prevent the identification of in-**  
22 **come or any particulars contained in any report or return.**

23 **“(d) Disclose a taxpayer’s name, address, telephone number, refund**  
24 **amount, amount due, Social Security number, employer identification number**  
25 **or other taxpayer identification number to the extent necessary in con-**  
26 **nection with collection activities or the processing and mailing of corre-**  
27 **spondence or of forms for any report or return required in the administration**  
28 **of any local tax under ORS 305.620 or any law imposing a tax upon or**  
29 **measured by net income.**

30 **“(2) The department also may disclose and give access to information de-**

1 scribed in ORS 314.835 to:

2 “(a) The Governor of the State of Oregon or the authorized representative  
3 of the Governor with respect to an individual who is designated as being  
4 under consideration for appointment or reappointment to an office or for  
5 employment in the office of the Governor. The information disclosed shall  
6 be confined to whether the individual:

7 “(A) Has filed returns with respect to the taxes imposed by ORS chapter  
8 316 for those of not more than the three immediately preceding years for  
9 which the individual was required to file an Oregon individual income tax  
10 return.

11 “(B) Has failed to pay any tax within 30 days from the date of mailing  
12 of a deficiency notice or otherwise respond to a deficiency notice within 30  
13 days of its mailing.

14 “(C) Has been assessed any penalty under the Oregon personal income tax  
15 laws and the nature of the penalty.

16 “(D) Has been or is under investigation for possible criminal offenses  
17 under the Oregon personal income tax laws. Information disclosed pursuant  
18 to this paragraph shall be used only for the purpose of making the appoint-  
19 ment, reappointment or decision to employ or not to employ the individual  
20 in the office of the Governor.

21 “(b) An officer or employee of the Oregon Department of Administrative  
22 Services duly authorized or employed to prepare revenue estimates, or a  
23 person contracting with the Oregon Department of Administrative Services  
24 to prepare revenue estimates, in the preparation of revenue estimates re-  
25 quired for the Governor’s budget under ORS 291.201 to 291.224, or required  
26 for submission to the Emergency Board or the Joint Interim Committee on  
27 Ways and Means, or if the Legislative Assembly is in session, to the Joint  
28 Committee on Ways and Means, and to the Legislative Revenue Officer or  
29 Legislative Fiscal Officer under ORS 291.342, 291.348 and 291.445. The De-  
30 partment of Revenue shall disclose and give access to the information de-

1 scribed in ORS 314.835 for the purposes of this paragraph only if:

2 “(A) The request for information is made in writing, specifies the purposes  
3 for which the request is made and is signed by an authorized representative  
4 of the Oregon Department of Administrative Services. The form for request  
5 for information shall be prescribed by the Oregon Department of Adminis-  
6 trative Services and approved by the Director of the Department of Revenue.

7 “(B) The officer, employee or person receiving the information does not  
8 remove from the premises of the Department of Revenue any materials that  
9 would reveal the identity of a personal or corporate taxpayer.

10 “(c) The Commissioner of Internal Revenue or authorized representative,  
11 for tax administration and compliance purposes only.

12 “(d) For tax administration and compliance purposes, the proper officer  
13 or authorized representative of any of the following entities that has or is  
14 governed by a provision of law that meets the requirements of any applicable  
15 provision of the Internal Revenue Code as to confidentiality:

16 “(A) A state;

17 “(B) A city, county or other political subdivision of a state;

18 “(C) The District of Columbia; or

19 “(D) An association established exclusively to provide services to federal,  
20 state or local taxing authorities.

21 “(e) The Multistate Tax Commission or its authorized representatives, for  
22 tax administration and compliance purposes only. The Multistate Tax Com-  
23 mission may make the information available to the Commissioner of Internal  
24 Revenue or the proper officer or authorized representative of any govern-  
25 mental entity described in and meeting the qualifications of paragraph (d)  
26 of this subsection.

27 “(f) The Attorney General, assistants and employees in the Department  
28 of Justice, or other legal representative of the State of Oregon, to the extent  
29 the department deems disclosure or access necessary for the performance of  
30 the duties of advising or representing the department pursuant to ORS

1 180.010 to 180.240 and the tax laws of the state.

2 “(g) Employees of the State of Oregon, other than of the Department of  
3 Revenue or Department of Justice, to the extent the department deems dis-  
4 closure or access necessary for such employees to perform their duties under  
5 contracts or agreements between the department and any other department,  
6 agency or subdivision of the State of Oregon, in the department’s adminis-  
7 tration of the tax laws.

8 “(h) Other persons, partnerships, corporations and other legal entities,  
9 and their employees, to the extent the department deems disclosure or access  
10 necessary for the performance of such others’ duties under contracts or  
11 agreements between the department and such legal entities, in the  
12 department’s administration of the tax laws.

13 “(i) The Legislative Revenue Officer or authorized representatives upon  
14 compliance with ORS 173.850. Such officer or representative shall not remove  
15 from the premises of the department any materials that would reveal the  
16 identity of any taxpayer or any other person.

17 “(j) The Department of Consumer and Business Services, to the extent the  
18 department requires such information to determine whether it is appropriate  
19 to adjust those workers’ compensation benefits the amount of which is based  
20 pursuant to ORS chapter 656 on the amount of wages or earned income re-  
21 ceived by an individual.

22 “(k) Any agency of the State of Oregon, or any person, or any officer or  
23 employee of such agency or person to whom disclosure or access is given by  
24 state law and not otherwise referred to in this section, including but not  
25 limited to the Secretary of State as Auditor of Public Accounts under Article  
26 VI, section 2, of the Oregon Constitution; the Department of Human Services  
27 pursuant to ORS 412.094; the Division of Child Support of the Department  
28 of Justice and district attorney regarding cases for which they are providing  
29 support enforcement services under ORS 25.080; the State Board of Tax  
30 Practitioners, pursuant to ORS 673.710; and the Oregon Board of

1 Accountancy, pursuant to ORS 673.415.

2 “(L) The Director of the Department of Consumer and Business Services  
3 to determine that a person complies with ORS chapter 656 and the Director  
4 of the Employment Department to determine that a person complies with  
5 ORS chapter 657, the following employer information:

6 “(A) Identification numbers.

7 “(B) Names and addresses.

8 “(C) Inception date as employer.

9 “(D) Nature of business.

10 “(E) Entity changes.

11 “(F) Date of last payroll.

12 “(m) The Director of the Oregon Health Authority to determine that a  
13 person has the ability to pay for care that includes services provided by the  
14 Oregon State Hospital, or the Oregon Health Authority to collect any unpaid  
15 cost of care as provided by ORS chapter 179.

16 “(n) Employees of the Employment Department to the extent the Depart-  
17 ment of Revenue deems disclosure or access to information on a combined  
18 tax report filed under ORS 316.168 is necessary to performance of their duties  
19 in administering the tax imposed by ORS chapter 657.

20 “(o) The State Fire Marshal to assist the State Fire Marshal in carrying  
21 out duties, functions and powers under ORS 453.307 to 453.414, the employer  
22 or agent name, address, telephone number and standard industrial classi-  
23 fication, if available.

24 “(p) Employees of the Department of State Lands or State Treasurer for  
25 the purposes of returning unclaimed property and identifying, locating and  
26 publishing lists of taxpayers entitled to unclaimed refunds under ORS 98.302  
27 to 98.436.

28 “(q) In addition to the disclosure allowed under ORS 305.225, state or lo-  
29 cal law enforcement agencies to assist in the investigation or prosecution  
30 of the following criminal activities:



1       “(A) Mail theft of a check, in which case the information that may be  
2 disclosed shall be limited to the stolen document, the name, address and  
3 taxpayer identification number of the payee, the amount of the check and the  
4 date printed on the check.

5       “(B) The counterfeiting, forging or altering of a check submitted by a  
6 taxpayer to the Department of Revenue or issued by the Department of  
7 Revenue to a taxpayer, in which case the information that may be disclosed  
8 shall be limited to the counterfeit, forged or altered document, the name,  
9 address and taxpayer identification number of the payee, the amount of the  
10 check, the date printed on the check and the altered name and address.

11       “(r) The United States Postal Inspection Service or a federal law  
12 enforcement agency, including but not limited to the United States Depart-  
13 ment of Justice, to assist in the investigation of the following criminal ac-  
14 tivities:

15       “(A) Mail theft of a check, in which case the information that may be  
16 disclosed shall be limited to the stolen document, the name, address and  
17 taxpayer identification number of the payee, the amount of the check and the  
18 date printed on the check.

19       “(B) The counterfeiting, forging or altering of a check submitted by a  
20 taxpayer to the Department of Revenue or issued by the Department of  
21 Revenue to a taxpayer, in which case the information that may be disclosed  
22 shall be limited to the counterfeit, forged or altered document, the name,  
23 address and taxpayer identification number of the payee, the amount of the  
24 check, the date printed on the check and the altered name and address.

25       “(s) The United States Financial Management Service, for purposes of  
26 facilitating the offsets described in ORS 305.612.

27       “(t) A municipal corporation of this state for purposes of assisting the  
28 municipal corporation in the administration of a tax of the municipal cor-  
29 poration that is imposed on or measured by income, wages or net earnings  
30 from self-employment. Any disclosure under this paragraph may be made only

1 pursuant to a written agreement between the Department of Revenue and the  
2 municipal corporation that ensures the confidentiality of the information  
3 disclosed.

4 “(u) A consumer reporting agency, to the extent necessary to carry out  
5 the purposes of ORS 314.843.

6 “(v) The Public Employees Retirement Board, to the extent necessary to  
7 carry out the purposes of ORS 238.372 to 238.384, and to any public employer,  
8 to the extent necessary to carry out the purposes of ORS 237.635 (3) and  
9 237.637 (2).

10 “(w) The Secretary of State for the purpose of initiating or supporting a  
11 recommendation under ORS 60.032 (3) or 63.032 (3) to administratively dis-  
12 solve a corporation or limited liability company that the Director of the  
13 Department of Revenue determines has failed to comply with applicable tax  
14 laws of the state.

15 “(x)(A) A multijurisdictional information sharing organization formed  
16 with oversight by the Internal Revenue Service to combat identity theft and  
17 fraud, if the Department of Revenue is a member of the organization; and

18 “(B) Tax preparation software vendors that are members of an organiza-  
19 tion described in subparagraph (A) of this paragraph, if information de-  
20 scribed in ORS 314.835 is shared for the purpose of investigating industry  
21 leads of potential identity theft or fraud.

22 “(y) The State Treasurer, for the purpose of providing employer responses,  
23 as indicated on annual withholding reports submitted to the Department of  
24 Revenue, about whether an employer offers a qualified retirement savings  
25 plan as listed in ORS 178.215.

26 “(z) The Oregon 529 Savings Board, for the purpose of facilitating the  
27 establishment of accounts by personal income taxpayers under ORS 178.335  
28 within the Oregon 529 Savings Network through the use of income tax return  
29 forms.

30 “(aa) **A financial institution, as defined in ORS 314.610, in order to**

1 **notify the financial institution that a taxpayer who is an account**  
2 **holder at the financial institution has been issued a refund attribut-**  
3 **able to a credit under section 2 of this 2023 Act and that the credit**  
4 **amount is not subject to garnishment, and to inform the financial in-**  
5 **stitution of the amount of the payment attributable to the credit.**

6 “(3)(a) Each officer or employee of the department and each person de-  
7 scribed or referred to in subsection (2)(a), (b), (f) to (L), (n) to (q) or (w) of  
8 this section to whom disclosure or access to the tax information is given  
9 under subsection (2) of this section or any other provision of state law, prior  
10 to beginning employment or the performance of duties involving such dis-  
11 closure or access, shall be advised in writing of the provisions of ORS 314.835  
12 and 314.991, relating to penalties for the violation of ORS 314.835, and shall  
13 as a condition of employment or performance of duties execute a certificate  
14 for the department, in a form prescribed by the department, stating in sub-  
15 stance that the person has read these provisions of law, that the person has  
16 had them explained and that the person is aware of the penalties for the  
17 violation of ORS 314.835.

18 “(b) The disclosure authorized in subsection (2)(r) of this section shall be  
19 made only after a written agreement has been entered into between the De-  
20 partment of Revenue and the person described in subsection (2)(r) of this  
21 section to whom disclosure or access to the tax information is given, pro-  
22 viding that:

23 “(A) Any information described in ORS 314.835 that is received by the  
24 person pursuant to subsection (2)(r) of this section is confidential informa-  
25 tion that may not be disclosed, except to the extent necessary to investigate  
26 or prosecute the criminal activities described in subsection (2)(r) of this  
27 section;

28 “(B) The information shall be protected as confidential under applicable  
29 federal and state laws; and

30 “(C) The United States Postal Inspection Service or the federal law

1 enforcement agency shall give notice to the Department of Revenue of any  
2 request received under the federal Freedom of Information Act, 5 U.S.C. 552,  
3 or other federal law relating to the disclosure of information.

4 “(4) The Department of Revenue may recover the costs of furnishing the  
5 information described in subsection (2)(L), (m) and (o) to (q) of this section  
6 from the respective agencies.”

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