

HB 3235-7
(LC 4310)
3/28/23 (CMT/ps)

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

**PROPOSED AMENDMENTS TO
HOUSE BILL 3235**

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**
5 **years at the close of the tax year and who is a dependent of a taxpayer**
6 **as described in section 152(a) of the Internal Revenue Code, determined**
7 **without regard to section 152(b)(3) of the Internal Revenue Code.**

8 **“(b) ‘Qualifying child’ has the meaning given that term in section**
9 **152(c) of the Internal Revenue Code.**

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

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

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

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

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

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

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

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

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

28 **“(b) For purposes of paragraph (a) of this subsection, the cost-of-**
29 **living adjustment for any calendar year is the percentage (if any) by**
30 **which the monthly averaged U.S. City Average Consumer Price Index**

1 for the 12 consecutive months ending August 31 of the prior calendar
2 year exceeds the monthly averaged index for the second quarter of the
3 calendar year 2023.

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

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

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

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

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

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

30 “(9) Refunds attributable to the child tax credit allowed under this

1 **section do not bear interest.”.**

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