

Requested by JOINT COMMITTEE ON TAX EXPENDITURES

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 3235**

1 On page 1 of the printed A-engrossed bill, line 5, delete “Section 2 of this  
2 2023 Act is” and insert “Sections 2 to 5 of this 2023 Act are”.

3 Delete lines 12 through 14 and insert:

4 “(c) ‘Qualifying income limit’ means:

5 “(A) For a taxpayer other than a taxpayer described in subparagraph (B)  
6 of this paragraph, adjusted gross income, as defined in section 62 of the  
7 Internal Revenue Code, as modified using Oregon subtractions and additions,  
8 but with losses of a taxpayer added back, to the extent that those losses  
9 exceed \$20,000; or

10 “(B) For a nonresident or part-year resident, the greater of the amount  
11 determined under subparagraph (A) of this paragraph, or adjusted gross in-  
12 come, as defined in section 62 of the Internal Revenue Code.”.

13 In line 15, delete “resident”.

14 Delete lines 22 through 24.

15 On page 2, delete lines 1 through 15 and insert:

16 “(3) The credit under this section:

17 “(a) Shall be in an amount of \$1,000 per dependent of the taxpayer, but,  
18 if the taxpayer has a qualifying income limit in excess of \$25,000, regardless  
19 of the type of income tax return filed by the taxpayer, the total amount of  
20 the credit shall be reduced as provided in subsection (4) of this section.

21 “(b) May not be claimed if the percentage calculated in subsection (4) of

1 this section is greater than or equal to 100 percent.

2 “(c) May not be claimed by a married taxpayer who files a separate re-  
3 turn.

4 “(4) If a reduction under subsection (3) of this section is required, the  
5 amount by which the credit shall be reduced is computed by multiplying the  
6 amount otherwise available under subsection (3) of this section by a per-  
7 centage. The percentage is computed by dividing, by 5,000, the amount by  
8 which the taxpayer’s qualifying income limit exceeds \$25,000.”.

9 Delete line 17 and insert “adjust the dollar amounts of the credit and of  
10 the income threshold set forth in subsections (3) and (4) of this section”.

11 In line 22, delete “2023” and insert “2022”.

12 After line 35, insert:

13 “(7) A nonresident or part-year resident shall be allowed the credit under  
14 this section in the same manner and, aside from the taxpayer’s applicable  
15 qualifying income limit, subject to the same limitations as a resident. How-  
16 ever, the credit shall be prorated using the proportion provided in ORS  
17 316.117.”.

18 In line 36, delete “(7)” and insert “(8)”.

19 In line 40, delete “(8)” and insert “(9)”.

20 In line 43, delete “(9)” and insert “(10)”.

21 On page 2, after line 44, insert:

22 **“SECTION 3. (1) The Department of Revenue shall establish by rule**  
23 **a program for making quarterly payments to taxpayers that, in the**  
24 **aggregate during any calendar year, equal the annual advance amount**  
25 **determined under subsection (2) of this section with respect to a tax-**  
26 **payer for the calendar year. Except as provided in subsection (2)(c)(B)**  
27 **of this section, the periodic payments made to any taxpayer for any**  
28 **calendar year shall be in equal amounts.**

29 **“(2)(a) Except as otherwise provided in this subsection, the annual**  
30 **advance amount applicable to a taxpayer for any calendar year shall**

1 be calculated as 50 percent of the amount that would be allowed under  
2 section 2 of this 2023 Act for the tax year beginning in that calendar  
3 year assuming the following conditions:

4 “(A) The status of the taxpayer as eligible for the credit allowed  
5 under section 2 of this 2023 Act is determined with respect to the ref-  
6 erence tax year;

7 “(B) The taxpayer’s modified adjusted gross income for the tax year  
8 is equal to the taxpayer’s modified adjusted gross income for the ref-  
9 erence tax year;

10 “(C) The only children of the taxpayer for the tax year are qualify-  
11 ing children properly claimed on the taxpayer’s tax return for the  
12 reference tax year; and

13 “(D) The ages of the taxpayer’s children and the status of the chil-  
14 dren as qualifying children are determined for the tax year by taking  
15 into account the passage of time since the reference tax year.

16 “(b) Except as provided in paragraph (c)(A) of this subsection, the  
17 taxpayer’s reference tax year shall be determined, with respect to any  
18 taxpayer for any calendar year, the taxpayer’s tax year beginning in  
19 the preceding calendar year or, in the case of taxpayer who did not file  
20 a tax return for the tax year, the taxpayer’s tax year beginning in the  
21 second preceding calendar year.

22 “(c)(A) The department may modify, during any calendar year, the  
23 annual advance amount with respect to any taxpayer for the calendar  
24 year to take into account:

25 “(i) A tax return filed by the taxpayer during the calendar year and  
26 the tax year to which the return relates may be taken into account  
27 as the reference tax year; and

28 “(ii) Any other information provided by the taxpayer to the de-  
29 partment which allows the department to determine payments under  
30 paragraph (a) of this subsection which, in the aggregate during any

1 tax year of the taxpayer, more closely total the department's estimate  
2 of the amount treated as allowed under section 2 of this 2023 Act for  
3 the tax year of the taxpayer.

4 “(B) In the case of any modification of the annual advance amount  
5 under subparagraph (A) of this paragraph, the department may adjust  
6 the amount of any periodic payment made after the date of the mod-  
7 ification to properly take into account the amount by which any pe-  
8 riodic payment made before the date was greater than or less than the  
9 amount that the payment would have been on the basis of the annual  
10 advance amount as so modified.

11 “(d) If information contained in the taxpayer's tax return for the  
12 reference tax year does not establish the eligibility status of the tax-  
13 payer under section 2 of this 2023 Act, the department shall, for pur-  
14 poses of paragraph (a)(A) of this subsection, determine the status  
15 based on information known to the department.

16 “(e) A child shall not be taken into account in determining the an-  
17 nual advance amount under paragraph (a) of this subsection if the  
18 death of the child is known to the department as of the beginning of  
19 the calendar year for which the estimate under paragraph (a) of this  
20 subsection is made.

21 “(3) The department shall establish a system that allows taxpayers  
22 to:

23 “(a) Elect not to receive payments under this section; and

24 “(b) Provide information to the department which would be relevant  
25 to a modification under subsection (2)(c)(A) of this section of the an-  
26 nual advance amount, including information regarding:

27 “(A) A change in the number of the taxpayer's qualifying children,  
28 including by reason of the birth of a child;

29 “(B) A change in the taxpayer's marital status;

30 “(C) A significant change in the taxpayer's income; and

1       **“(D) Any other factor which the department may consider.**

2       **“(4) Not later than January 31 of the calendar year following any**  
3 **calendar year during which the department makes one or more pay-**  
4 **ments to any taxpayer under this section, the department shall pro-**  
5 **vide the taxpayer with a written notice of the aggregate amount of the**  
6 **payments made under this section to the taxpayer during the calendar**  
7 **year, and other information as the department determines appropri-**  
8 **ate.**

9       **“SECTION 4. The Department of Revenue shall begin payments**  
10 **under section 3 of this 2023 Act in January of the year immediately**  
11 **following the year in which section 3 of this 2023 Act becomes opera-**  
12 **tive under section 5 of this 2023 Act, and shall continue payments in**  
13 **each year thereafter.**

14       **“SECTION 5. Section 3 of this 2023 Act becomes operative 30 days**  
15 **following the date that the United States Department of Agriculture**  
16 **approves the request for waiver under section 6 of this 2023 Act.**

17       **“SECTION 6. (1) No later than 90 days after the effective date of**  
18 **this 2023 Act, the Department of Human Services shall submit to the**  
19 **United States Department of Agriculture a request for approval to**  
20 **wave the requirements of 7 U.S.C. 2014(d)(18) in order to exclude**  
21 **monthly distributions of an advance payment of the tax credit allowed**  
22 **under section 2 of this 2023 Act from consideration in determining el-**  
23 **igibility for supplemental nutrition assistance.**

24       **“(2) The department shall report the status of the request to the**  
25 **Legislative Assembly no later than September 15, 2024, and annually**  
26 **thereafter until September 15 following the date that the United States**  
27 **Department of Agriculture approves or denies the request for waiver.**

28       **“SECTION 7. Section 6 of this 2023 Act is repealed on January 1,**  
29 **2029.”.**

30       In line 45, delete “3” and insert “8”.

- 1 On page 3, line 14, delete “4” and insert “9”.
- 2 On page 4, line 36, delete “5” and insert “10”.
- 3 On page 7, line 33, delete “6” and insert “11”.
- 4 In line 34, delete “2024” and insert “2023” and delete “2030” and insert
- 5 “2029”.
- 6 In line 35, delete “7” and insert “12”.
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