

SB 561 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Kyle Easton, Senior Economist

Meeting Dates: 3/26

WHAT THE MEASURE DOES:

Creates a personal income tax subtraction for taxpayers paying child care expenses of a qualifying child during the tax year. Defines terms. Disallows a subtraction for child care expenses allowed as a credit or deduction in specified circumstances. Applies to amounts paid in tax years beginning on or after January 1, 2025, and before January 1, 2031. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

For purposes of measure and per ORS 315.262, "child care expenses" are defined as the costs associated with providing child care to a qualifying child of a qualified taxpayer. A "qualifying child" is defined in Internal Revenue Code section 152(c) which defines qualifying child for purposes of determining a taxpayer's dependent.