

HB 3409 B STAFF MEASURE SUMMARY

Carrier: Sen. Hayden

Senate Committee On Health Care

Minority Report

Action Date: 05/20/25

Action: Do pass with amendments to the A-Eng bill. (Printed B-Eng.) Minority

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

Report Signers: Sen. Hayden, Sen. Linthicum

Prepared By: Daniel Dietz, LPRO Analyst

Meeting Dates: 5/13, 5/20

WHAT THE MEASURE DOES:

Increases the maximum amounts that Oregonians over age 66 may subtract from taxable income for medical care expenses.

Detailed summary:

- Increases the maximum amounts that may be subtracted from taxable income for medical expenses as follows:
 - Up to \$5,600 for a joint return if both spouses meet the age requirement.
 - Up to \$2,800 for an individual return, or for a joint return if only one spouse meets the age requirement.
- Establishes new maximum amounts for individuals above certain income thresholds:
 - Up to \$2,200 per individual with federal adjusted gross income of \$77,000 or more, or \$154,000 for joint returns.
 - Up to \$1,600 per individual with federal income above \$154,000 or more, or \$308,000 for joint returns.
- Directs the Department of Revenue to annually adjust the maximum allowable subtraction and qualifying income levels based on the Consumer Price Index.
- Applies to tax years beginning with 2025. Takes effect on the 91st day after sine die.

ISSUES DISCUSSED:

- Provisions of the measure.

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

The calculation of taxable income for purposes of determining state tax obligations in Oregon is based on the taxpayer's federal adjusted gross income, as determined under the provisions of the Internal Revenue Code. ORS. 316.013. Individuals who are at least 66 years old at the end of the tax year may subtract expenditures up to specified limits from their taxable income. ORS 316.693.

HB 3409 MR B increases the maximum amounts that Oregonians over age 66 may subtract from taxable income for expenses related to medical care.