

House Bill 2902

Sponsored by Representative EVANS (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as **introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act makes a new tax credit for unreimbursed costs of educators. (Flesch Readability Score: 67.7).

Creates an income tax credit for the unreimbursed expenses of teachers and adjunct instructors. Adjusts the credit amount for inflation.

Applies to tax years beginning on or after January 1, 2025, and before January 1, 2031.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a tax credit for educator classroom expenses; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 315.**

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

6 (a) **"Eligible educator" means an elementary or secondary school teacher at a public**
7 **school or an adjunct instructor who teaches at least six credit hours in the tax year at a**
8 **post-secondary institution.**

9 (b) **"Eligible expenses" means unreimbursed expenses of the types described in section**
10 **62(a)(2)(D) of the Internal Revenue Code incurred by an eligible educator.**

11 (c) **"U.S. City Average Consumer Price Index" means the Consumer Price Index for All**
12 **Urban Consumers (All Items), as published by the Bureau of Labor Statistics of the United**
13 **States Department of Labor.**

14 (2) **A credit against the taxes otherwise due under ORS chapter 316 shall be allowed for**
15 **eligible expenses incurred during the tax year. The amount of credit shall equal the lesser**
16 **of:**

17 (a) **The amount of eligible expenses; or**

18 (b) **\$500.**

19 (3) **Beginning January 1, 2027, the Department of Revenue shall annually adjust the credit**
20 **amount in subsection (2) of this section according to the cost-of-living adjustment for the**
21 **calendar year. The department shall make this adjustment by multiplying \$500 by the per-**
22 **centage, if any, by which the monthly averaged U.S. City Average Consumer Price Index for**
23 **the 12 consecutive months ending August 31 of the prior calendar year exceeds the monthly**
24 **averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending**
25 **August 31, 2025.**

26 (4) **The credit allowed under this section in one tax year may not exceed the tax liability**
27 **of the taxpayer.**

28 (5) **If a credit allowed under this section is claimed, the amount upon which the credit**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 is based that is allowed or allowable as a deduction from federal taxable income under section
2 62 of the Internal Revenue Code shall be added to federal taxable income in determining
3 Oregon taxable income.

4 (6)(a) A nonresident shall be allowed the credit under this section in the proportion pro-
5 vided in ORS 316.117.

6 (b) If a change in the status of a taxpayer from resident to nonresident or from nonres-
7 ident to resident occurs, the credit allowed by this section shall be determined in a manner
8 consistent with ORS 316.117.

9 (c) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or
10 if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the
11 credit allowed under this section shall be prorated or computed in a manner consistent with
12 ORS 314.085.

13 (7) The Department of Education shall establish by rule policies and procedures for cer-
14 tifying taxpayers as eligible for the credits allowed under this section.

15 **SECTION 3.** Section 2 of this 2025 Act applies to tax years beginning on or after January
16 1, 2025, and before January 1, 2031.

17 **SECTION 4.** This 2025 Act takes effect on the 91st day after the date on which the 2025
18 regular session of the Eighty-third Legislative Assembly adjourns sine die.

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