

Senate Bill 1134

Sponsored by Senator SMITH DB

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 subtraction for the cost of health insurance for a taxpayer's dependents. (Flesch Readability Score: 65.1).

Creates an Oregon personal income tax subtraction for premiums paid for medical, dental or vision insurance coverage for a child dependent of the taxpayer.

Applies to tax years beginning on or after January 1, 2026, and before January 1, 2032.

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

A BILL FOR AN ACT

1
2 Relating to an income tax subtraction for insurance expenses of personal income taxpayers; and
3 prescribing an effective date.

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

5 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 316.**

6 **SECTION 2. (1) There shall be subtracted from federal taxable income any amount that**
7 **is paid by the taxpayer during the tax year that is incurred as premiums for medical, dental**
8 **or vision insurance coverage for an individual who is a dependent of the taxpayer and who**
9 **at the close of the tax year is a qualifying child in relation to the taxpayer, as defined in**
10 **section 152(c)(1) of the Internal Revenue Code.**

11 **(2) In order to claim a subtraction under this section, the taxpayer must properly report**
12 **on the taxpayer's federal income tax return adjusted gross income that is at least \$90,000**
13 **but not more than \$150,000, if reported on a joint return, or at least \$45,000 but not more**
14 **than \$75,000, if reported on any other type of return.**

15 **(3) A subtraction under this section:**

16 **(a) May not exceed \$10,000 per qualifying child dependent of the taxpayer; and**

17 **(b) Is not allowed for any amount described in subsection (1) of this section that is taken**
18 **into account as a deduction or credit on an income tax return of the taxpayer, whether state**
19 **or federal, for any tax year.**

20 **SECTION 3. Section 2 of this 2025 Act applies to tax years beginning on or after January**
21 **1, 2026, and before January 1, 2032.**

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

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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.