## House Bill 3316

Sponsored by Representative SPRENGER

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## **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.

Establishes personal income tax credit of \$250 per dependent child. Applies to tax years beginning on or after January 1, 2020, and before January 1, 2026.

Reduces personal income tax rates for certain taxpayers by modifying income tax brackets. First applies to tax years beginning on or after January 1, 2020.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

2	Relating to personal income taxation; creating new provisions; amending ORS 316.037; and pre		
3	scribing an effective date.		
4	Be It Enacted by the People of the State of Oregon:		
5	SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 316.  SECTION 2. A taxpayer shall be allowed a credit, in the amount of \$250 per dependent, against the taxes otherwise due under this chapter for each dependent of the taxpayer who:  (1) Is a qualifying child, as defined in section 152 of the Internal Revenue Code; and		
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9	(2) Is claimed by the taxpayer on the taxpayer's federal tax return.		
10	SECTION 3. ORS 316.037 is amended to read:		
11	316.037. (1)(a) A tax is imposed for each taxable year on the entire taxable income of every		
12	resident of this state. The amount of the tax shall be determined in accordance with the following		
13	table:		
14	[	1	
15			
16	If taxable income is:	The tax is:	
17			
18	Not over \$2,000	5% of	
19		taxable	
20		income	
21			
22	Over \$2,000 but not		
23	over \$5,000	\$100 plus 7%	
24		of the excess	
25		over \$2,000	
26			
27	Over \$5,000 but not		
28	over \$125,000	\$310 plus 9%	
29		of the excess	
30		over \$5,000	

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	Over \$125,000	\$11,110 plus 9.9%
2		of the excess
3		over \$125,000
4	[	
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8	If taxable income is:	The tax is:
9		
10	Not over \$6,100	5% of
11		taxable
12		income
13		
14	Over \$6,100 but not	
15	over \$15,200	\$305 plus 7%
16		of the excess
17		over \$6,100
18		
19	Over \$15,200 but not	
20	over \$125,000	\$942 plus 9%
21		of the excess
22		over \$15,200
23		
24	Over \$125,000	\$10,824 plus 9.9%
25		of the excess
26		over \$125,000
27		

(b) For tax years beginning in each calendar year, the Department of Revenue shall adopt a table that shall apply in lieu of the table contained in paragraph (a) of this subsection, as follows:

- (A) Except as provided in subparagraph (D) of this paragraph, the minimum and maximum dollar amounts for each bracket for which a tax is imposed shall be increased by the cost-of-living adjustment for the calendar year.
- (B) The rate applicable to any rate bracket as adjusted under subparagraph (A) of this paragraph [shall] may not be changed.
- (C) The amounts setting forth the tax, to the extent necessary to reflect the adjustments in the rate brackets, shall be adjusted.
- (D) The rate [brackets] bracket applicable to taxable income in excess of \$125,000 may not be adjusted.
- (c) For purposes of paragraph (b) of this subsection, the cost-of-living adjustment for any calendar year is the percentage (if any) by which the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending August 31 of the prior calendar year exceeds the monthly averaged index for the second quarter of the calendar year [1992] **2020**.
- (d) As used in this subsection, "U.S. City Average Consumer Price Index" means the U.S. City Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of

1 Labor Statistics of the United States Department of Labor.

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- (e) If any increase determined under paragraph (b) of this subsection is not a multiple of \$50, the increase shall be rounded to the next lower multiple of \$50.
- (2) A tax is imposed for each taxable year upon the entire taxable income of every part-year resident of this state. The amount of the tax shall be computed under subsection (1) of this section as if the part-year resident were a full-year resident and shall be multiplied by the ratio provided under ORS 316.117 to determine the tax on income derived from sources within this state.
- (3) A tax is imposed for each taxable year on the taxable income of every full-year nonresident that is derived from sources within this state. The amount of the tax shall be determined in accordance with the table set forth in subsection (1) of this section.
- SECTION 4. (1) Section 2 of this 2019 Act applies to tax years beginning on or after January 1, 2020, and before January 1, 2026.
- (2) The amendments to ORS 316.037 by section 3 of this 2019 Act apply to tax years beginning on or after January 1, 2020.
- SECTION 5. This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.

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