

House Bill 2728

Sponsored by Representative READ; Representatives BARKER, DEMBROW, DOHERTY, GELSER, GREENLICK, HUFFMAN, HUNT, Senators EDWARDS, HASS (Presession 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**.

Allows taxpayer to make direct deposit contribution of income tax refund into Oregon 529 College Savings Network account.

Applies to income tax refunds payable to taxpayers for tax years beginning on or after January 1, 2011.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to direct deposits to Oregon 529 College Savings Network accounts; creating new pro-
3 visions; amending ORS 348.857; and prescribing an effective date.

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

5 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 305.**

6 **SECTION 2. (1) A taxpayer may elect to contribute all or a portion of a refund of per-
7 sonal income tax to an account established under ORS 348.857, and may make this contri-
8 bution by direct deposit to a financial institution.**

9 **(2) The election shall be made on a form prescribed by the Department of Revenue and
10 filed with the taxpayer's tax return for the tax year or at such other time and manner as
11 the department may prescribe by rule.**

12 **SECTION 3. ORS 348.857 is amended to read:**

13 348.857. (1) An account owner may establish an account by making an initial contribution to the
14 Oregon 529 College Savings Network in the name of the designated beneficiary. Once a contribution
15 is made it becomes part of the network and subject to the provisions of ORS 348.841 to 348.873.

16 (2) Any person may make a contribution to an account once an account is opened.

17 (3) Contributions to an account shall be made only in cash **and may be deposited as provided
18 in section 2 of this 2011 Act.**

19 (4) Total contributions to all accounts established on behalf of a particular beneficiary may not
20 exceed those reasonably necessary to provide for the qualified higher education expenses of the
21 designated beneficiary. The Oregon 529 College Savings Board shall establish maximum contribution
22 limits applicable to network accounts and shall require the provision of any information from the
23 account owner and the designated beneficiary that the board deems necessary to establish these
24 limits.

25 (5) Separate records and accounting shall be required for each account and reports shall be
26 made no less frequently than annually to the account owner.

27 (6) The board may collect application, account or administrative fees to defray the costs of the
28 network.

29 **SECTION 4. Section 2 of this 2011 Act and the amendments to ORS 348.857 by section 3**

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 of this 2011 Act apply to income tax refunds payable to taxpayers for tax years beginning on
2 or after January 1, 2011.

3 **SECTION 5.** This 2011 Act takes effect on the 91st day after the date on which the 2011
4 session of the Seventy-sixth Legislative Assembly adjourns sine die.

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