

Senate Bill 729

Sponsored by Senator BOQUIST

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**.

Creates income tax credit for adopting children from foster system. Applies to tax years beginning on or after January 1, 2015.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a tax credit for adoption of children from foster system; creating new provisions;
3 amending ORS 316.502; and prescribing an effective date.

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

5 **SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS chapter 315.**

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

7 (a) "Adopt" means to acquire a judgment of adoption pursuant to ORS 109.305 to 109.410.

8 (b) "Foster child" has the meaning given that term in ORS 418.200.

9 (2) **A credit against taxes that are otherwise due under ORS chapter 316 shall be allowed**
10 **to a taxpayer who adopts one or more foster children. The credit allowed shall be in the**
11 **amount of \$5,000 per adopted child.**

12 (3) **For each tax year for which a credit is claimed under this section, the taxpayer shall**
13 **maintain records sufficient to prove the taxpayer's eligibility for the credit allowed under**
14 **this section. A taxpayer shall maintain the records required under this subsection for at**
15 **least five years.**

16 (4) **If the amount allowable as a credit under this section, when added to the sum of the**
17 **amounts allowable as payment of tax under ORS 316.187 (withholding), ORS 316.583 (esti-**
18 **ated tax), other tax prepayment amounts and other refundable credit amounts, exceeds the**
19 **taxes imposed by ORS chapters 314 and 316 for the tax year (reduced by any nonrefundable**
20 **credits allowable for purposes of ORS chapter 316 for the tax year), the amount of the excess**
21 **shall be refunded to the taxpayer as provided in ORS 316.502.**

22 (5) **A nonresident shall be allowed the credit under this section. The credit shall be**
23 **computed in the same manner and be subject to the same limitations as the credit granted**
24 **to a resident. However, the credit shall be prorated using the proportion provided in ORS**
25 **316.117.**

26 (6) **If a change in the taxable year of the taxpayer occurs as described in ORS 314.085,**
27 **or if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440,**
28 **the credit allowed by this section shall be prorated or computed in a manner consistent with**
29 **ORS 314.085.**

30 (7) **If a change in the status of a taxpayer from resident to nonresident or from nonres-**
31 **ident to resident occurs, the credit allowed by this section shall be determined in a manner**

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 consistent with ORS 316.117.

2 (8) Spouses who file separate returns for a taxable year may each claim a share of the
3 tax credit that would have been allowed on a joint return in proportion to the adjusted gross
4 income of each.

5 **SECTION 3.** ORS 316.502 is amended to read:

6 316.502. (1) The net revenue from the tax imposed by this chapter, after deducting refunds and
7 amounts described in ORS 285B.630 and 285C.635, shall be paid over to the State Treasurer and held
8 in the General Fund as miscellaneous receipts available generally to meet any expense or obligation
9 of the State of Oregon lawfully incurred.

10 (2) A working balance of unreceipted revenue from the tax imposed by this chapter may be re-
11 tained for the payment of refunds, but such working balance shall not at the close of any fiscal year
12 exceed the sum of \$1 million.

13 (3) Moneys are continuously appropriated to the Department of Revenue to make:

14 (a) The refunds authorized under subsection (2) of this section; and

15 (b) The refund payments in excess of tax liability authorized under ORS 315.174, 315.262 and
16 315.266 and section 17, chapter 906, Oregon Laws 2007, **and section 2 of this 2015 Act.**

17 **SECTION 4. Section 2 of this 2015 Act applies to tax years beginning on or after January**
18 **1, 2015.**

19 **SECTION 5. This 2015 Act takes effect on the 91st day after the date on which the 2015**
20 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

21