

D R A F T

SUMMARY

Allows personal income taxpayers to subtract amounts paid as interest on qualified education loans from taxable income.

Applies to interest paid in tax years beginning on or after January 1, 2016, and before January 1, 2027.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to income tax subtractions for student loan interest; and prescribing
3 an effective date.

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

5 **SECTION 1. Section 2 of this 2016 Act is added to and made a part**
6 **of ORS chapter 316.**

7 **SECTION 2. (1) In computing Oregon taxable income for purposes**
8 **of this chapter, there shall be subtracted from federal taxable income**
9 **an amount equal to the interest paid by a taxpayer during the tax year**
10 **on any qualified education loan, not to exceed \$3,000.**

11 **(2) In computing Oregon taxable income for purposes of this chap-**
12 **ter, there shall be added to federal taxable income an amount equal**
13 **to any deduction allowed the taxpayer for the tax year under section**
14 **221 of the Internal Revenue Code.**

15 **SECTION 3. Section 2 of this 2016 Act applies to interest paid in tax**
16 **years beginning on or after January 1, 2016, and before January 1, 2027.**

17 **SECTION 4. This 2016 Act takes effect on the 91st day after the date**
18 **on which the 2016 regular session of the Seventy-eighth Legislative**
19 **Assembly adjourns sine die.**

