

DRAFT

SUMMARY

Directs Department of Revenue to submit annual report, on utilization of earned income tax credit and dependent care credits, to interim committees of Legislative Assembly related to revenue and to human services. Requires department to identify geographic regions and demographic groups with low rates of utilization of specified tax credits, and to promote use of specified tax credits and of tax preparation services available to taxpayers.

Limits amount that tax preparer or tax consultant may charge for preparation of return of taxpayer who is eligible to claim federal earned income tax credit. Applies to tax returns filed on or after January 1, 2017.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to earned income tax credits; creating new provisions; amending
3 ORS 673.615; and prescribing an effective date.

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

5 **SECTION 1. (1) Not later than November 15 of each year, the De-**
6 **partment of Revenue shall submit a report to the interim committees**
7 **of the Legislative Assembly related to revenue and to human services.**
8 **The report shall address the rates of utilization, during the preceding**
9 **tax year, by Oregon personal income taxpayers of the following per-**
10 **sonal income tax credits:**

11 **(a) The federal earned income tax credit allowed under section 32**
12 **of the Internal Revenue Code; and**

13 **(b) The credits allowed under ORS 315.262, 315.264, 315.266 and**
14 **316.078.**

15 **(2) The department shall use data collected by the department and**

1 collected by the Internal Revenue Service and shared with the de-
2 partment to identify geographic regions and demographic groups in
3 which eligible Oregon personal income taxpayers have low rates of
4 utilization of the credits listed in subsection (1) of this section. The
5 department shall:

6 (a) Include this information in the report required under subsection
7 (1) of this section; and

8 (b) Target outreach efforts regarding availability of the earned in-
9 come tax credit to personal income taxpayers in regions and groups
10 identified pursuant to this subsection.

11 **SECTION 2.** (1) The Department of Revenue shall:

12 (a) Promote taxpayer participation in Earned Income Tax Credit
13 Awareness Day, typically occurring annually in January and organized
14 by the Internal Revenue Service.

15 (b) Promote, through methods including the use of links that are
16 not more than one click from the home page of the department's
17 website, taxpayers' use of:

18 (A) Organizations that offer tax return preparation assistance to
19 taxpayers preparing their own tax returns; and

20 (B) Vendors that are approved by the department and the Internal
21 Revenue Service and that offer free tax return preparation services.

22 (2) Within the geographic regions and serving the demographic
23 groups identified in section 1 (2) of this 2016 Act, the department shall
24 expand the availability of sites, staffed by volunteers certified by the
25 Internal Revenue Service, that provide free assistance with tax return
26 preparation to taxpayers with low or moderate income and to taxpay-
27 ers with disabilities.

28 **SECTION 3.** ORS 673.615 is amended to read:

29 673.615. Except as otherwise provided in ORS 673.605 to 673.740:

30 (1) A person may not prepare or advise or assist in the preparation of
31 personal income tax returns for another and for valuable consideration or

1 represent that the person is so engaged unless the person is licensed as a tax
2 consultant under ORS 673.605 to 673.740.

3 (2) A tax preparer may prepare or advise or assist in the preparation of
4 tax returns only under the supervision of a tax consultant, or a person de-
5 scribed in ORS 673.610 (2) or (4), and subject to such conditions and limita-
6 tions as the State Board of Tax Practitioners by rule may impose.

7 (3) A person may not be a facilitator of a refund anticipation loan without
8 first being issued a license as a tax consultant or tax preparer under ORS
9 673.640.

10 (4) **A tax preparer or tax consultant may not charge in excess of**
11 **\$_____ for an original or amended return for any personal income**
12 **taxpayer's return, if the taxpayer is eligible to claim the earned in-**
13 **come tax credit allowed under section 32 of the Internal Revenue Code.**

14 **SECTION 4. The amendments to ORS 673.615 by section 3 of this**
15 **2016 Act apply to personal income tax returns filed on or after January**
16 **1, 2017.**

17 **SECTION 5. 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.**

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