



SENATE MAJORITY OFFICE

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Tax relief for students and parents moving to Senate floor *SB 301 will reconnect Oregon tax code to key federal provisions*

SALEM – The Senate Finance and Revenue committee passed out legislation this afternoon that “reconnects” the Oregon tax code to key provisions in federal tax code. This move will help Oregon college students and parents while streamlining the filing process for the tax year 2010.

“By reconnecting to these key provisions, we are providing welcome tax relief to middle class families and students,” said Senator Ginny Burdick (D-Portland), chair of the committee. “This legislation will be especially helpful to students who are working their way through college, including the increasing number of adult students who are trying to make ends meet while going back to school to learn new skills or start a new career.”

During the 2009 session, the Legislature passed HB 2157, a bill that “disconnected” Oregon tax code from the federal code, saving the state tens of millions of dollars while giving Oregon greater flexibility during the economic downturn. That bill left open the option of adopting some or all future changes in the federal tax code during the 2011 Legislative Session.

Today’s bill, SB 301, reconnects Oregon to a number of provisions in the federal tax code that have modified since 2009. These provisions will affect some Oregonians’ state income tax returns for 2010.

One key provision is an above-the-line, means-tested tax deduction of up to \$4,000 for college tuition and related expenses. Additionally, SB 301 reconnects to a federal provision that allows parents to keep their children on their health care plans up to age 27 tax free, as proscribed in the federal health care overhaul passed last year.

Oregonians who have questions about their eligibility for these provisions or who need help completing their taxes can contact the Oregon Department of Revenue at 1-800-356-4222 or visit <http://www.oregon.gov/DOR/taxhelp.shtml>. In addition, CASH Oregon and AARP offer free tax preparation assistance for Oregonians. See <http://www.cashoregon.org/taxprep/sites.htm> for a list of sites.

The bill will go to the Senate floor tomorrow morning.

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