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Senate approves legislation giving tax relief to students and parents *SB 301 will reconnect Oregon tax code to key federal provisions*

SALEM –Legislation that “reconnects” the Oregon tax code to key provisions in federal tax code passed off the Senate floor with a unanimous vote this morning. This move will help Oregon college students and parents while streamlining the filing process for the tax year 2010.

“We know that college students and parents are already struggling with the costs of a college education and this bill will give them a little extra relief,” said Senator Ginny Burdick (D-Portland), chair of the Senate Finance and Revenue Committee. “More and more Oregonians have returned to college to learn new skills or start a new career. Reconnecting will especially help those adult students who are juggling work and school.”

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 that could help over 50,000 tax filers. 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.

“Colleges students and parents across Oregon are already preparing and submitting their taxes for 2010,” said Senate Majority Leader Diane Rosenbuaum. “Passing this bill expediently will help them get an extra break on the high costs of college and health care.”

Because of looming deadlines for taxpayers, the Senate took the uncommon action this morning of suspending the rules to allow the vote on SB 301 to take place today. The bill passed out of the Senate Finance and Revenue Committee yesterday on a unanimous vote.

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 now go to the House for consideration.

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