

**A-Engrossed**  
**House Bill 3418**

Ordered by the House April 20  
Including House Amendments dated April 20

Sponsored by Representative KITTS; Representatives SCHAUFLER, G SMITH, SUMNER, THATCHER, Senator B STARR

**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.

Creates voluntary assessment program to raise moneys for public education.  
Creates Friends of Public Education Fund to receive voluntary assessment moneys. Continuously appropriates moneys in fund to Department of Education for grants.  
Directs department to develop criteria and award grants to school districts based on need.

**A BILL FOR AN ACT**

Relating to voluntary assessments; and appropriating money.

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

**SECTION 1. For tax years beginning on or after January 1, 2006, and before January 1, 2008, the Department of Revenue shall prepare a form and instructions by which individuals may make a voluntary assessment as described in section 2 of this 2005 Act. The voluntary assessment form and instructions shall be included with the personal income tax forms and instructions. The voluntary assessment form shall include a line or checkoff box under which an individual making a voluntary assessment may indicate that the identity of the person making the payment is to remain confidential.**

**SECTION 2. (1) For tax years beginning on or after January 1, 2006, and before January 1, 2008, any individual may choose to pay a voluntary assessment at the rates set forth in this subsection. The rates of the assessment are as follows:**

**(a) If the federal adjusted gross income of the taxpayer for the tax year is less than \$20,000, the assessment shall equal one percent of the tax liability of the taxpayer.**

**(b) If the federal adjusted gross income of the taxpayer for the tax year is \$20,000 or more, but less than \$25,000, the assessment shall equal two percent of the tax liability of the taxpayer.**

**(c) If the federal adjusted gross income of the taxpayer for the tax year is \$25,000 or more, but less than \$30,000, the assessment shall equal three percent of the tax liability of the taxpayer.**

**(d) If the federal adjusted gross income of the taxpayer for the tax year is \$30,000 or more, but less than \$35,000, the assessment shall equal four percent of the tax liability of the taxpayer.**

**(e) If the federal adjusted gross income of the taxpayer for the tax year is \$35,000 or more, but less than \$50,000, the assessment shall equal five percent of the tax liability of the**

**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 taxpayer.

2 (f) If the federal adjusted gross income of the taxpayer for the tax year is \$50,000 or  
3 more, but less than \$70,000, the assessment shall equal six percent of the tax liability of the  
4 taxpayer.

5 (g) If the federal adjusted gross income of the taxpayer for the tax year is \$70,000 or  
6 more, but less than \$90,000, the assessment shall equal seven percent of the tax liability of  
7 the taxpayer.

8 (h) If the federal adjusted gross income of the taxpayer for the tax year is \$90,000 or  
9 more, but less than \$120,000, the assessment shall equal eight percent of the tax liability of  
10 the taxpayer.

11 (i) If the federal adjusted gross income of the taxpayer for the tax year is \$120,000 or  
12 more, the assessment shall equal nine percent of the tax liability of the taxpayer.

13 (2) An individual may choose to make a voluntary assessment that is either more or less  
14 than the amount computed under subsection (1) of this section.

15 (3) A voluntary assessment under this section is deductible under section 170 of the  
16 Internal Revenue Code, as amended and in effect on December 31, 2004, for both federal and  
17 state tax purposes.

18 (4) For purposes of subsection (1) of this section, the amounts of the federal adjusted  
19 gross income brackets are doubled for a taxpayer who files a joint return, a return as a head  
20 of household or a return as a surviving spouse.

21 (5) Moneys raised under the voluntary assessment described in this section shall be de-  
22 posited in the Friends of Public Education Fund established under section 3 of this 2005 Act.

23 **SECTION 3.** (1) The Friends of Public Education Fund is established in the State Treas-  
24 ury, separate and distinct from the General Fund. Interest earned by the Friends of Public  
25 Education Fund shall be credited to the Friends of Public Education Fund.

26 (2) Moneys in the Friends of Public Education Fund are continuously appropriated to the  
27 Department of Education for the following purposes:

28 (a) An amount not to exceed one percent of the amounts contributed under section 2 of  
29 this 2005 Act shall be used to design and maintain a Friends of Public Education website on  
30 which individuals who pay a voluntary assessment under section 2 of this 2005 Act are listed,  
31 unless an individual making a voluntary assessment has requested confidentiality; and

32 (b) The balance to be used to make the grants described in section 4 of this 2005 Act.

33 **SECTION 4.** (1) The Department of Education shall develop a needs-based grants program  
34 under which common or union high school districts that meet criteria established by the  
35 department by rule may apply for grants. The criteria shall be designed to identify school  
36 districts that are in need in certain core areas identified by the department.

37 (2) Grant applications may be made in the time and manner prescribed by the depart-  
38 ment.

39 (3) Grants shall be awarded by the department to those school districts that meet the  
40 criteria established by the department under this section.

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