

HOUSE AMENDMENTS TO HOUSE BILL 3440

By COMMITTEE ON BUSINESS, LABOR AND CONSUMER AFFAIRS

April 5

- 1 On page 1 of the printed bill, line 3, delete “and 657.146”.
- 2 Delete lines 6 through 31 and delete page 2 and insert:
- 3 “**SECTION 2.** (1) In addition to the other modifications to federal taxable income con-
- 4 tained in this chapter, there shall be subtracted from federal taxable income the amount of
- 5 any unemployment compensation benefits payable under ORS chapter 657, to the extent
- 6 includable in gross income for federal income tax purposes.
- 7 “(2) A taxpayer is allowed the subtraction under subsection (1) of this section only if:
- 8 “(a) In the case of a taxpayer who files a joint return, the federal adjusted gross income
- 9 of the taxpayer for the tax year does not exceed \$30,000; or
- 10 “(b) In the case of any other taxpayer, the federal adjusted gross income of the taxpayer
- 11 for the tax year does not exceed \$20,000.
- 12 “**SECTION 3.** ORS 657.144 is amended to read:
- 13 “657.144. An individual filing a new claim for benefits under this chapter shall, at the time the
- 14 claim is filed with the Employment Department, be advised that:
- 15 “(1) Benefits are subject to federal [*and state*] income tax **and may be subject to state income**
- 16 **tax;**
- 17 “(2) Federal and state law may require that a recipient of benefits make quarterly estimated tax
- 18 payments during the tax year in which the benefits are received;
- 19 “(3) Federal and state law may impose penalties on a recipient of benefits for the failure to
- 20 timely make estimated tax payments; and
- 21 “(4) A recipient of benefits may elect under ORS 657.146 to have amounts withheld from the
- 22 recipient’s payment of benefits for federal and state income tax purposes at the amount specified in:
- 23 “(a) The federal Internal Revenue Code for the voluntary withholding of unemployment benefits
- 24 for federal income tax purposes; and
- 25 “(b) ORS 657.146 for the voluntary withholding of unemployment benefits for state income tax
- 26 purposes.
- 27 “**SECTION 4.** Section 2 of this 2005 Act and the amendments to ORS 657.144 by section
- 28 **3 of this 2005 Act apply to unemployment compensation benefits paid on or after January 1,**
- 29 **2006.”.**
- 30
-