

1		taxable
2		income
3	Over \$5,300 but not	
4	over \$13,200	\$265 plus 7%
5		of the excess
6		over \$5,300
7		
8	Over \$13,200	\$818 plus 9%
9		of the excess
10		over \$13,200

13 (b) For tax years beginning in each calendar year, the Department of Revenue shall adopt a
 14 table that shall apply in lieu of the table contained in paragraph (a) of this subsection, as follows:

15 (A) The minimum and maximum dollar amounts for each rate bracket for which a tax is imposed
 16 shall be increased by the cost-of-living adjustment for the calendar year.

17 (B) The rate applicable to any rate bracket as adjusted under subparagraph (A) of this para-
 18 graph shall not be changed.

19 (C) The amounts setting forth the tax, to the extent necessary to reflect the adjustments in the
 20 rate brackets, shall be adjusted.

21 (c) For purposes of paragraph (b) of this subsection, the cost-of-living adjustment for any calen-
 22 dar year is the percentage (if any) by which the monthly averaged U.S. City Average Consumer
 23 Price Index for the 12 consecutive months ending August 31 of the prior calendar year exceeds the
 24 monthly averaged index for the *[second quarter of the calendar year 1992]* **12 consecutive months**
 25 **ending August 31, 2005.**

26 (d) As used in this subsection, "U.S. City Average Consumer Price Index" means the U.S. City
 27 Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of
 28 Labor Statistics of the United States Department of Labor.

29 (e) If any increase determined under paragraph (b) of this subsection is not a multiple of \$50,
 30 the increase shall be rounded to the next lower multiple of \$50.

31 (2) A tax is imposed for each taxable year upon the entire taxable income of every part-year
 32 resident of this state. The amount of the tax shall be computed under subsection (1) of this section
 33 as if the part-year resident were a full-year resident and shall be multiplied by the ratio provided
 34 under ORS 316.117 to determine the tax on income derived from sources within this state.

35 (3) A tax is imposed for each taxable year on the taxable income of every full-year nonresident
 36 that is derived from sources within this state. The amount of the tax shall be determined in ac-
 37 cordance with the table set forth in subsection (1) of this section.

38 **SECTION 2. The amendments to ORS 316.037 by section 1 of this 2005 Act apply to tax**
 39 **years beginning on or after January 1, 2006.**

40 **SECTION 3. This 2005 Act takes effect on the 91st day after the date on which the reg-**
 41 **ular session of the Seventy-third Legislative Assembly adjourns sine die.**

42