

# Senate Bill 34

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## 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 **as introduced**.

Increases amount that taxpayer may subtract from federal taxable income for contributions to college savings network.

Applies to contributions made to college savings network accounts in tax years beginning on or after January 1, 2006.

## A BILL FOR AN ACT

Relating to college savings network accounts; creating new provisions; and amending ORS 316.699.

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

**SECTION 1.** ORS 316.699 is amended to read:

316.699. (1) There shall be subtracted from federal taxable income the amount contributed to a college savings network account established under ORS 348.841 to 348.873.

(2) Notwithstanding subsection (1) of this section, a subtraction under this section may not exceed the lesser of:

*[(a) \$2,000 for the tax year or, in the case of a married individual filing separately, \$1,000 for the tax year; and]*

**(a) \$4,000 for the tax year if the taxpayer files a joint return, or \$2,000 for the tax year if the taxpayer files a return other than a joint return; and**

(b) If an amount is carried forward to a succeeding tax year under subsection (3) of this section, the balance in the college savings network account at the close of the tax year for which the subtraction is being made.

(3) Any amounts contributed to a college savings network account that are not subtracted from federal taxable income because of the monetary limitations imposed by subsection (2) of this section may be carried forward for four succeeding tax years and subtracted from federal taxable income in any of those succeeding tax years in an amount that does not exceed the monetary limitations imposed by subsection (2) of this section.

(4) The amount contributed to a college savings network account may be subtracted from a preceding tax year if the contribution is made before the taxpayer files a return or before the 15th day of the fourth month following the closing of the taxpayer's tax year, whichever is earlier.

**SECTION 2. The amendments to ORS 316.699 by section 1 of this 2005 Act apply to contributions made to a college savings network account for tax years beginning on or after January 1, 2006.**

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**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.