

# 2015 Kicker Credit



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## 2015 tax surplus credit (“kicker”) at a glance

- There was a \$402 million tax surplus for the 2014 tax year.
- The credit rate is 5.6 percent.
- It will be returned to taxpayers as a credit on the 2015 returns they’ll file in 2016.
- To calculate:
  - Use our “What’s My Kicker?” app. Just provide your name, Social Security number, and filing status, and see what you can claim as your credit. Go to our homepage, click on the Revenue Online link, and look for the “What’s My Kicker?” app on the homepage.
  - Multiply the 2014 tax liability before credits, except those for taxes paid to other states, by 5.6 percent.
- No checks will be issued.

## Frequently asked questions

### What is the kicker?

The tax surplus credit, commonly known as the “kicker,” occurs if actual state revenues exceed forecasted revenues by 2 percent or more over the two-year budget cycle. The excess, including the 2-percent trigger amount, is returned to taxpayers through a credit on their following year’s tax return.

### Where does the money come from?

For the personal income tax surplus credit, the money comes from all General Fund revenue sources, except for corporate tax revenues. These sources include personal income tax, insurance tax, inheritance tax, tobacco tax, and other non-tax-revenue sources. Personal income tax is by far the largest contributor.

### Who can claim the kicker?

Taxpayers who filed a 2014 personal income tax return with a tax due before credits can claim the credit. However, the state may use all or part of a person’s kicker to pay state debt, such as taxes due for other years, child support, court fines, or school loans.

### Who can’t?

Taxpayers who didn’t file a 2014 individual income tax return, or those who did file, but had no tax due before credits, can’t claim the credit.

### **If I filed late, can I still claim the kicker?**

You'll be eligible to claim it once your return is processed, providing you don't fall into one of the categories of individuals who aren't eligible for the credit.

### **How do I claim my kicker?**

You'll claim your kicker on a specific line on the 2015 personal income tax return that you file in 2016.

### **Why don't we get a kicker check anymore?**

The Legislature determined that, for budget cycles beginning on or after July 1, 2011, taxpayers can claim a credit on their returns for the tax year immediately following the surplus.

### **How can I figure out how much my kicker credit will be?**

To calculate the amount of your credit, multiply your 2014 tax liability before any credits, except credits for taxes paid to other states, by 5.6 percent. The 2015 tax return instructions will have additional details on calculating your kicker if your filing status has changed since you filed last.

### **Why doesn't the state keep the money to use for programs?**

The Oregon Constitution requires that, when there is at least a 2-percent difference between the final revenue forecast for the biennium and the actual end-of-biennium revenue, the surplus is returned to individual taxpayers.

### **Why doesn't the money go into a rainy day fund?**

Because the Oregon Constitution requires that the state return any personal income tax surplus to taxpayers. However, in 2012, voters approved a measure that dedicates the corporate income tax surplus to the State School Fund.

### **History of the personal income tax kicker**

- The 1979 Oregon Legislature passed the 2-percent "kicker" law.
- Prior to 1994, refunds were made via a tax credit as they are now.
- From 1995 until 2011, refunds were made via checks to taxpayers.
- Prior to 2007, the refund amount was based on tax liability for the first full calendar year of the biennium. The 2007 Oregon Legislature changed the basis of the refund to tax before credits.