

ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. 150-316-0120	
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Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated April 2017	Hearing Scheduled April 25, 2017

PURPOSE: Replacing outdated language to reflect 2015 legislation relating to spouses in a marriage.

1 **150-316-0120**

2 **Credit for Political Contributions**

3 (1) In General: To qualify for the political contribution credit, the contribution must be a voluntary
4 contribution of money made to one of the following:

5 (a) A major political party or its political committees, or a minor political party or its political
6 committees;

7 (b) A candidate for federal, state or local office; or

8 (c) A political committee. Each of these categories is discussed in more detail in the following sections.

9 (2) Contributions to political parties. For purposes of this rule, a major political party is defined in ORS
10 248.006. A minor political party is defined in ORS 248.008. Contributions to any of these parties, or their
11 political committees, qualify for the credit.

12 **Example 1:** In 2012, Jim contributes \$50 to the Republican National Party, \$50 to the Republican
13 Committee to Re-elect U.S. Senators, \$50 to the Democratic National Party Committee to Re-elect
14 Senator Jones of California and \$50 to the Libertarian Party. All contributions qualify for the political
15 contribution credit. Jim will be able to claim a credit of \$50 on his 2012 income tax return. If he files a
16 joint return with his wifespouse, they may claim a \$100 credit.

17 (3) Contributions to candidates. Qualifying contributions are those made directly to the candidate or the
18 principal campaign committee of the candidate.

19 (a) A principal campaign committee (PCC) means a candidate's political committee. The PCC must have
20 met the filing requirements contained in ORS Chapter 260.

21 (b) Candidates do not have to appear on a ballot in this state in the same year the contribution is made for
22 the credit to be claimed. However, if the candidate is not on a ballot, at least one of the following must
23 have occurred in the same year the contribution is made:

24 (A) A prospective petition is filed;

25 (B) A declaration of candidacy is filed;

26 (C) A certificate of nomination is filed; or

27 (D) A designation of a principal campaign committee is filed.



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- 1 **Example 2:** Amanda filed a declaration of candidacy in November 2011 and appeared on the ballot for
2 the 2012 primary election as a candidate for Oregon state senator. Contributions made in 2011 or 2012 to
3 Amanda, or her principal campaign committee, will qualify for the credit.
- 4 (4) Contributions to political committees. Contributions made to a political committee will qualify only if
5 the committee has certified the name of its treasurer to the appropriate filing officer in the manner
6 provided in ORS Chapter 260. As used in this rule, "filing officer" means:
- 7 (a) For a political committee whose purpose is to support or oppose a candidate or measure in an election
8 concerning an irrigation district formed under ORS chapter 545, the county clerk or secretary of the
9 irrigation district as provided under ORS 260.005(9)(b).
- 10 (b) For all other purposes, the Secretary of State as provided under ORS 260.005(9)(a).
- 11 (c) Contributions may qualify under this provision even though:
- 12 (A) No measure appears on the ballot in the same year the contribution is made;
- 13 (B) The contribution is made to reduce a deficit from a prior year; or
- 14 (C) The political committee is formed by a national committee.
- 15 **Example 3:** Royal is a member of the Association of Certified Engineers of America. The association
16 forms a Political Action Committee (PAC) in Oregon, certifies the name of its treasurer to the Secretary
17 of State, and solicits voluntary donations from individual members. The PAC states in its material that it
18 is organized and operated to support or oppose any political candidates or measures the directors of the
19 association determine will impact its members. Contributions made to the PAC will qualify for the credit.
- 20 **Example 4:** Debra belongs to a trade union that engages in political activities. The union informs Debra
21 that a certain percentage of her monthly dues is used for political purposes. No part of her dues payment
22 will qualify for the credit because it is not a voluntary payment of money to a candidate or a political
23 committee.
- 24 **Example 5:** Same facts as Example 4, but the union also solicits voluntary political contributions from its
25 members. These funds are placed directly into a separate PAC, which is not subsidized in any way by the
26 union, and are used for political activities. In January 1999, Debra signs up for a payroll deduction of \$5
27 to be taken from her monthly checks. She may claim a credit of up to \$50 on her tax return, or a credit of



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- 1 \$60 (12 months x \$5) if she files jointly with her ~~husband~~spouse.
- 2 (5) The amount of the contribution must be reduced by the fair market value of any items or services
- 3 received in exchange for the contributions.
- 4 **Example 6:** A political committee solicits donations and offers T-shirts in return for contributions of \$50
- 5 or more. Douglas contributes \$50 and receives a T-shirt valued at \$10. He may claim a political
- 6 contribution credit of \$40.
- 7 **Example 7:** Same facts as Example 6, except that Douglas contributes \$100. He is entitled to a credit of
- 8 \$50 on a single return, or \$90 on a joint return.
- 9 (6) A partnership or S corporation may make political contributions on behalf of its partners or
- 10 shareholders. The credit may be claimed on the individual tax return, subject to all of the limitations in
- 11 ORS 316.102 and this rule.
- 12 (7) Proof of the credit, such as a canceled check or receipt, should not be attached to the tax return but
- 13 should be kept with the taxpayer's records. Upon audit or examination, the taxpayer must provide
- 14 documentation to verify the credit.
- 15 Stat. Auth.: ORS 305.100, & 316.102
- 16 Stats. Implemented: ORS 316.102