

OREGON SURPLUS KICKER CREDIT

Background...

The 2% surplus kicker is part of the Oregon Constitution (Article IX, Section 14). The Oregon surplus credit, known as the "kicker," is a way for the Oregon State government to return some of your taxes to you when actual revenues are more than 2% higher than predicted. Every two years, the Oregon Department of Administrative Services (DAS) determines whether there is a surplus and the amount to be returned to taxpayers as a kicker. If there's a surplus, the kicker may be claimed on the return as a refundable tax credit or donated to the State School Fund. The kicker credit is available only on the return for an odd-numbered year. If there's no surplus, or if the tax year is even numbered, no kicker is available.

The amount a taxpayer may receive is based on the taxpayer's prior year income tax return (even-numbered year) and is claimed as a credit on the next tax return (odd-numbered year).

Example. For tax year 2021, the kicker was 17.341 percent of your 2020 personal income tax liability.

Tax Strategy....

If possible, try to schedule your income to an even-numbered year so that you can possibly claim a larger kicker on your next year's Oregon tax return.

Example. A taxpayer would like to sell a stock investment or rental property that has a large gain. If it is sold in the even-numbered year, like 2024, the kicker credit could be increased on the 2025 Oregon tax return filed in the spring of 2026.

Current Update...

The kicker for the 2023 Oregon tax return is already projected to be the largest ever, over \$3 billion according to the latest quarterly [Oregon Economic and Revenue Forecast](#).

The Oregon legislature has before it two proposed bills, SRJ 26 and SB 774, that would reduce or eliminate the kicker refund from the Oregon Constitution.

[SRJ 26](#) proposes amendment to Oregon Constitution to cease requirement of returning surplus revenue to personal income taxpayers.

[SB 774](#) discontinues return of surplus revenue refunds to taxpayers. Modifies statutory provisions. Applies to biennia ending on or after June 30, 2025.

Additional Reading... *(warning, these are live links)*

[Oregon Department of Revenue : Oregon surplus “Kicker” credit : Individuals : State of Oregon](#)

[Oregon state revenues soar, \\$3 billion kicker predicted - OPB](#)

[State of Oregon: Economic analysis - Economic and revenue forecasts](#)

[SJR26 2023 Regular Session - Oregon Legislative Information System \(oregonlegislature.gov\)](#)

[SB774 2023 Regular Session - Oregon Legislative Information System \(oregonlegislature.gov\)](#)