

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number: HB 2707A
Revenue Area: State Finance
Economist: Warner
Date: 2-19-07

Measure Description:

Implements constitutional one-time exception process for changing estimate used to calculate surplus corporate kicker credit. Directs difference between actual corporate income tax collections for 2005-07 biennium and close of 2005 session estimate into Oregon Rainy Day Fund up to new estimate. Requires deposit from General Fund ending balance of up to 1% of General Fund appropriations following biennium. Establishes triggers to access fund. Sets 10% cap for fund. Provides for 2% surplus corporate kicker credit if actual corporate income tax collections exceed new estimate by 2% or more.

Revenue Impact:

(in millions)	2007-09 Biennium	2009-11 Biennium
State General Fund	0	-138.4
State Other Funds*	+275	+138.4

*Oregon Rainy Day Fund

Impact Explanation:

Revenue impact estimate based on December 2006 revenue forecast of \$775 million for 2005-07 corporate income taxes. Rainy Day Fund account would receive the difference between actual collections and the close of session estimate (\$500 million) up to new estimate of \$975 million. Ending balance transfer of \$138.4 million following 2007-09 biennium based on appropriations level and projected ending balance in Governor's Recommended Budget.

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