

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly 2007
Legislative Revenue Office

Bill Number: HB 2938
Revenue Area: Property Tax
Economist: Mary Ayala
Date: 4/5/2007

Preliminary

Measure Description: Increases the current partial exemption from property tax from \$18,000 to \$25,000 for a war veteran who has service-connected disabilities of 40% or more, or to their surviving spouses. Raises the exemption amounts that can be claimed for property located in two or more counties from \$8,750 to \$15,000 for vets with non-service connected disabilities; and raises the exemption amounts from \$11,670 to \$25,000 for vets with service-connected disabilities. Takes effect upon becoming law.

Revenue Impact:

\$millions	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State General Fund				
State Other Funds	0	0	0	0
Local Government	0	-3.38	-3.38	-7.1
Local School Districts		-2.4	-2.4	-5.1

Impact Explanation: It is assumed that 37,000 qualified vets will be eligible to claim 100% of the proposed exemption amounts beginning in FY0809. The proposed changes are roughly an increase of \$7,000 per vet with a non-service-connected disability and \$13,330 per vet with a service-connected disability. It is assumed the 50% of the qualified vets have service-connected disabilities; and would be eligible for the higher exemption amount. Under current law, the exemption limits increase by 3% per year.

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