

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	HB 3201-A
Revenue Area:	Income
Economist:	Chris Allanach
Date:	5-25-2007

Measure Description:

Increases the limit on the subtraction for active duty compensation earned in Oregon from \$3,000 to \$6,000. Creates a subtraction for income earned by employees of the Oregon Military Department for performing duties for the Oregon National Guard Youth Challenge Program, up to \$6,000 per year. Creates a credit for physicians who provide medical care to residents of an Oregon Veterans' Home. The credit is the lesser of \$1,000 for every eight residents served or \$5,000. The credit is non-refundable and may not be carried forward. Requires the physician to submit with their tax return a letter from the Oregon Veterans Home confirming that the physician missed no more than five percent of their scheduled visits. Applies first in tax year 2008.

Revenue Impact:

(\$ Millions)	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State General Fund	-\$0.3	-\$0.8	-\$1.1	-\$1.8

Impact Explanation:

Most of the revenue impact is due to the increase in the subtraction of active duty compensation from \$3,000 to \$6,000. This limit applies to service performed in Oregon. In tax year 2005, roughly 11,700 taxpayers subtracted \$175.3 million in active duty compensation resulting in a combined reduction in tax liability of roughly \$14 million.

State Capitol Building
900 Court St NE, Room H-197
Salem, OR 97301-1347

Phone: 503-986-1266
Fax: 503-986-1770
<http://www.leg.state.or.us>