

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	HB 3500-A
Revenue Area:	Income
Economist:	Chris Allnach
Date:	6-20-2007

Measure Description:

Defines terms used in the bill; in particular, 'base pollution control' is defined as a control that uses an eligible method to meet a Department of Environmental Quality (DEQ) or regional air pollution authority requirement that exceeds a federal requirement. And 'environmental enhancement' is defined as a control that provides an environmental benefit that is not required by DEQ, Dept. of Agriculture, the Environmental Protection Agency (EPA), or a regional air pollution authority or is a base pollution control installed prior to such requirements. Also 'environmental management system' is a system that meets requirements while an 'environmental improvement process' is a process that exceeds requirements. Requires certain information be collected during the application process. Limits credit certifications to \$19.5 million per calendar year as long as the revenue impact does not exceed \$13 million in any year. Establishes a certification deadline of December 31, 2013. Establish credit percentages for base pollution controls and nonpoint source pollution controls as follows: 35% if the environmental investment is commenced before January 1, 2011 and 25% if after that date. Establishes a 50% credit for environmental enhancements. Establishes a 50% credit for environment management systems and environmental improvement processes up to \$25,000 for business with fewer than 50 employees, \$50,000 for businesses with between 50 and 500 employees, and \$100,000 for businesses with more than 500 employees. Allows taxpayers to transfer credits related to an environmental enhancement control. Establishes a program development fee and a groundwater protection surcharge. Creates the Ground Water Protection Account.

Revenue Impact:

(\$ Millions)	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
State General Fund	\$0	-\$1.5	-\$1.5	-\$7.3

Impact Explanation:

The bill would allow up to \$19.5 million in credit certifications per year. This revenue estimate assumes that the DEQ would issue, after initial program implementation, roughly 75% of that limit for the first few years and that the credit would be taken uniformly over the 10 year period.

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