

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	SB 582-A
Revenue Area:	Income Tax
Economist:	Warner
Date:	4-18-07

Measure Description:

Modifies university development venture fund management but keeps credit for donations unchanged. Changes recapture provision in 2005 law to allow university venture development funds to retain use of credits up to cap amount.

Revenue Impact:

No revenue impact is expected over the next three biennia because the tax credit is not changed from current law. However, elimination of the recapture provision means that the General Fund will not receive back the \$8.4 million in credits expected to be issued. Since recapture is based on income generated from innovations, when and if it occurs is highly uncertain but it is unlikely to occur until after the three biennia forecast horizon used for revenue impact analysis.

Impact Explanation:

Since the revenue impact of the credit resulting from the passage of the 2005 law (SB 853) is built into the current law revenue forecast and this bill does not change the credit amount, there is no revenue impact expected over the next three biennia. Elimination of the recapture provision means that the General Fund will be out the \$8.4 million in credits allowed in current law over the long-term.

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