

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
74th Oregon Legislative Assembly  
2007 Regular Session  
Legislative Revenue Office

<b>Bill Number:</b>	<b>SB 954-A</b>
<b>Revenue Area:</b>	<b>State Finance</b>
<b>Economist:</b>	<b>Warner</b>
<b>Date:</b>	<b>5-9-07</b>

**Measure Description:**

Creates Shared Services Fund. Diverts 50% of estimated personal income tax collections resulting from employment gains identified with the Strategic Investment Program. The Department of Economic and Community Development certifies employment and wage gains to the Department of Administrative Services who then allocates estimated personal income taxes into fund. Shared Services Fund is then allocated back to counties impacted by exempt property under the Strategic Investment Program. Applies to agreements executed after 1-1-08 beginning with the 2009 tax year. The first transfer is to be made following the 2009 tax year.

**Revenue Impact:**

<b>(in millions)</b>	<b>2007-09</b>	<b>2009-11</b>	<b>2011-13</b>
<b>General Fund</b>			
<b>Personal Income Tax Collections identified with SIP</b>	<b>0</b>	<b>-\$0.6</b>	<b>-4.5</b>
<b>Shared Services Fund</b>	<b>0</b>	<b>+\$0.6</b>	<b>+4.5</b>

**Impact Explanation:**

Revenue impact based on a gradual job increase from property tax exemptions approved after 1-1-08. Eligible employment is assumed to be 125 in 2009, 175 in 2010, 350 in 2011 and 1,500 in 2012. The assumed jump in 2012 is based on a known project. Wages are assumed to be \$50,000 annually from each job. This estimate is highly sensitive to new applications—for example one current exemption accounts for 1,500 jobs. The tax rate applied to the estimated wages is 4.9%. This figure is obtained from the annual Oregon Personal Income Tax Statistics produced by the Department of Revenue. It is based on the average tax as a percentage of \$45,000 to \$50,000 in adjusted gross income for full year tax filers in 2004.