

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action: Do pass with amendments to the A-engrossed bill and be printed engrossed

Vote: 4-0-1

Yeas: Burdick, G. George, Monroe, Deckert

Nays:

Exc.: Starr

Prepared By: Chris Allanach, Economist

Meeting Dates: 6/15, 6/18, 6/19

WHAT THE BILL DOES: Increases the subtraction for active duty compensation to \$6,000 and includes income earned by employees of the Oregon Military Department for duties performed for the Oregon National Guard Youth Challenge Program. Creates a credit of up to \$5,000 for physicians who provide medical care to residents of an Oregon Veterans' Home. Removes the sunset date on the property tax exemption for summer homes on federal land. Excludes natural resource property and property used in commercial fishing from gross estate value for purposes of the inheritance tax. Provides taxing districts the option of exempting certain machinery and equipment of egg processors from property taxation. Allows a business that changes ownership to continue to qualify for an income exemption under the Oregon Investment Advantage Act (formerly referred to as the Small City Business Development exemption.) Expands the Business Energy Tax Credit. Expands the Residential Energy Tax Credit. Creates a credit for the repower or retrofit of older diesel truck engines. Extends the sunset on the new engine credit through 2011. Increases the limit on credit certifications to the Oregon Production Investment Fund from \$1 million to \$5 million. Increases the total credits for affordable housing loans from \$11 million to \$13 million. Phases down the personal exemption credit for taxpayers above certain income thresholds. Increases the subtraction for contributions to an Oregon College Savings Network account from \$2,000 to \$4,000 (joint) and from \$1,000 to \$2,000 (married-filing-separately). Creates a refundable \$5,000 credit for mobile home owners if they are required to move due to the closure of the mobile home park. Creates a \$2,500 credit for physicians in their first year participating in the TRICARE system. Creates a \$1,000 credit for each subsequent year the physician actively participates in the TRICARE system with the requirement that physicians in non-rural areas accept at least 10 patients. Creates a subtraction of TRICARE payments for the first two years a physician participates in the TRICARE system. Limits new certifications to 500 per year.

ISSUES DISCUSSED:

- Value of tax incentives for included policies

EFFECT OF COMMITTEE AMENDMENTS: Removes the sunset date on the property tax exemption for summer homes on federal land. Excludes natural resource property and property used in commercial fishing from gross estate value for purposes of the inheritance tax. Provides taxing districts the option of exempting certain machinery and equipment of egg processors from property taxation. Allows a business that changes ownership to continue to qualify for an income exemption under the Oregon Investment Advantage Act (formerly referred to as the Small City Business Development exemption.) Expands the Business Energy Tax Credit. Expands the Residential Energy Tax Credit. Creates a credit for the repower or retrofit of older diesel truck engines. Extends the sunset on the new engine credit through 2011. Increases the limit on credit certifications to the Oregon Production Investment Fund from \$1 million to \$5 million. Increases the total credits for affordable housing loans from \$11 million to \$13 million. Phases down the personal exemption credit for taxpayers above certain income thresholds. Increases the subtraction for contributions to an Oregon College Savings Network account from \$2,000 to \$4,000 (joint) and from \$1,000 to \$2,000 (married-filing-separately). Creates a refundable \$5,000 credit for mobile home

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BACKGROUND:

This bill combined the policies contained in a variety of other bills heard during the 2007 Legislative Session. This bills included are as follows: HB 2211-B, HB 2212-A, HB 2400, HB 2462, HB 2735, HB 2788, HB 3197, HB 3202, HB 3293, HB 3479, HB 3548, and SB 984; and the credit portions of HB 2172-B and SB 635. See the accompanying chart for additional detail.