2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2211 **STATUS:** A-Engrossed
SUBJECT: Business energy tax credits, new provisions
GOVERNMENT UNIT AFFECTED: Department of Energy and Department of Revenue
PREPARED BY: Dawn Farr
REVIEWED BY: Michelle Deister, Dallas Weyend
DATE: February 6, 2007

	2007-2009	2009-2011
EXPENDITURES:		
See Comments.		

REVENUES:
Refer to the Revenue Impact Statement issued by the Legislative Revenue Office.

POSITIONS / FTE:
See Comments.

EFFECTIVE DATE: 91st day following adjournment sine die.

GOVERNOR'S BUDGET: This bill is anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The measure increases the cap on the amount of business energy tax credit that may be claimed for certified facilities from $10 to $20 million, eliminates the federal credit offset, expands business tax credits to include credit for homebuilder installed systems, high performance homes, renewable energy manufacturing facilities, and energy facilities that manufacture or distribute alternative fuels. Adding additional business tax credit provisions will result in revenue reductions to General Funds. In the Governor's Recommended Budget, the Department of Energy has requested funds to cover costs associated with renewable energy and conservation incentives and existing energy programs. The agency does not believe that this bill will significantly increase program service volumes and considers the fiscal impact associated with this bill to be minimal, and absorbable with existing resources. The Department of Revenue also anticipates there will be a minimal fiscal impact to the agency as a result of this bill.