

74TH OREGON LEGISLATIVE ASSEMBLY  
STAFF MEASURE SUMMARY  
HOUSE REVENUE COMMITTEE

MEASURE: SB 635-A  
CARRIER: Rep. Butler

REVENUE: No Revenue Impact

FISCAL: No Fiscal Impact

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Action: Do pass the A-engrossed bill

Vote: 8-0-1

Yeas: Berger, Bruun, Butler, Gelser, Olson, Read, Witt, Barnhart

Nays: Rosenbaum

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 6/23

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**WHAT THE BILL DOES:** Changes the maximum reimbursement for a single film or television series to the sum of 10 percent of employee compensation for work done in Oregon and 20 percent of all other expenses paid in Oregon. Reduces the expense threshold to qualify for reimbursement from \$1 million to \$750,000. Applies to films starting principal photography on or after January 1, 2007.

**ISSUES DISCUSSED:**

- Mechanics of how the credit sunset contained in HB 3201-B would affect reimbursements

**EFFECT OF COMMITTEE AMENDMENTS:** None

**BACKGROUND:** The Oregon Production Investment Fund and related income tax credit were created by the 2003 Legislature (HB 2747). The Oregon Film and Video Office adopts rules and certifies the tax credits. The amount of the tax credit is such that any contribution to the Fund equals at least 90 percent of the tax credit received. The rules adopted should achieve the following goals: (1) generate contributions for which \$1 million in tax credits are certified each fiscal year, (2) maximize the income and excise tax revenues available to Oregon for state operations, and (3) provide the necessary financial incentives for taxpayers to make contributions to the Fund. The tax credit is nonrefundable, may be carried forward for up to three years, and is transferable to another taxpayer. In tax year 2005, roughly 25 taxpayers claimed a total of nearly \$1 million in credits (an average of \$40,000 per filer).

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*This summary has not been adopted or officially endorsed by action of the committee.*