

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
75th Oregon Legislative Assembly
2009 Regular Session
Legislative Revenue Office

Bill Number:	SB 93 B
Revenue Area:	State Finance
Economist:	Chris Allanach
Date:	6-24-09

Measure Description: Allows the State Court Administrator to enter into an intergovernmental agreement with the United States Financial Management Service and the Internal Revenue Service to offset federal tax refunds to collect on debts owed to the state courts, or commissions, department or divisions of the Oregon Judicial Branch. Allows overpayments to state courts to be offset against federal tax obligations.

Revenue Impact (\$Millions): None

Impact Explanation:

By itself this bill would have no revenue impact because federal legislation is required to allow the payment of non-tax debt with federal tax dollars. Federal legislation has been introduced that would accomplish this.

The Judicial Department estimates that if the federal legislation becomes law, they would collect up to \$61 million in 2009-11 and \$61 million in 2011-13, based on collections activity by the Division of Child Support and depending on the effective date. The Department of Revenue currently participates in a similar program for income taxes and collected an average of \$6.6 million per year from 2005-2007, which represents roughly 1.5 percent of liabilities owed to the Department. Applying this same percentage to the outstanding debt for the Judicial Department results in an estimated collection amount of \$20 million per biennium when fully implemented.

Creates, Extends, or Expands Tax Expenditure: **No**