

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

Bill Number:	SB 172-A
Revenue Area:	Tax Returns
Economist:	Chris Allanach
Date:	2-11-09

Measure Description:

Extends the State Board of Tax Practitioners license requirement to persons who prepare, for compensation, corporate tax returns, partnership tax returns, S corporation tax returns, trust tax returns, and estate tax returns.

Revenue Impact (\$Millions):

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
State General Fund	Minimal*		Minimal*		

*revenue gain of less than \$50,000 per biennium.

Impact Explanation:

The intent of the bill is to ensure high quality tax preparation and reduce errors. The impact on any specific return could be higher or lower tax liability, depending on the nature of the error. A recent Government Accountability Office report contained suggestive evidence that Oregon's licensing requirement may play a role in the relatively higher accuracy of the federal personal income tax returns filed by Oregonians. The business returns affected by this bill are more likely to be filed by professional tax preparers and may be less prone to errors than personal income tax returns. Due to the differences between federal and Oregon estate tax law, the suggested change could have a relatively larger, positive impact on General Fund revenue.

Creates, Extends, or Expands Tax Expenditure: Yes No