

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

| | |
|----------------------|----------------|
| Bill Number: | SB 621 |
| Revenue Area: | Income Taxes |
| Economist: | Chris Allanach |
| Date: | 6/4/2009 |

Measure Description: Increases the annual cap on the amount of tax credits for contributions to the Oregon Production Investment Fund from \$5 million to \$7.5 million. Takes effect on the 91st day after the Assembly adjourns sine die.

Revenue Impact (\$Millions):

| | Fiscal Year | | Biennium | | |
|---------------------|-------------|---------|----------|-----------|-----------|
| | 2009-10 | 2010-11 | 2009-11 | 2011-2013 | 2013-2015 |
| General Fund | - \$2.2 | - \$2.5 | - \$4.7 | - \$5.0 | - \$5.0 |

Impact Explanation: The bill would increase the annual amount of tax credits that may be taken against personal and corporate income taxes. The estimate assumes that not all of the higher credit amount will be used in the first year of the expansion; which is similar to the experience from tax year 2007 when the credit was last expanded. In subsequent years, the full amount of the credit is expected to be used.

A 2008 study by ECONorthwest examined the economic impact of the film and video industry in Oregon. While it doesn't address the question of whether or not qualifying productions would have occurred in Oregon were it not for the credit, it does contain relevant analyses. For example, the authors concluded that the industry has an income multiplier of 2.12 and a jobs multiplier of 2.11. For every \$1 million of income generated within the industry, income increased by \$1.2 million in other sectors of the economy. And every 100 jobs within the industry are associated with 111 jobs in other sectors.

Creates, Extends, or Expands Tax Expenditure: Yes

The purpose of this bill is to expand Oregon's film and video industry by recruiting out of state productions.