

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

Bill Number:	SB 726 A
Revenue Area:	Property Tax
Economist:	Dae Baek
Date:	May 29, 2009

Measure Description: Authorizes eligible Indian tribes to request Economic and Community Development Department to designate Reservation Enterprise Zone (REZ). Authorizes eligible Indian tribes to cosponsor Reservation Partnership Zones. Makes Enterprise Zone exemptions and tax credits available for REZ. Eliminates median income and unemployment rate requirements for REZ.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
State General Fund	\$ minimal*	\$ minimal*	\$ minimal*	\$ minimal*	\$ minimal*

*Minimal means revenue loss of less than \$50,000.

Impact Explanation: Qualified taxpayers operating a new business facility in a REZ may claim an income tax credit for the amount of tribal tax paid. 2009-11 Tax Expenditure Report estimates less than \$50,000 of tax expenditure for FY 2009-11. This bill expands eligibility for the Reservation Enterprise Zone (REZ). The original legislation on REZ, enacted in 2001 and amended in 2005, contained restricting criteria that only allowed two of the nine Oregon Tribes to qualify—Warm Springs and Umatilla. This bill eliminates these restricting requirements. This bill also gives businesses in REZ an option to take advantage of exemptions and credits that are available in Enterprise Zones.

Creates, Extends, or Expands Tax Expenditure: Yes No

SB 726 expands eligibility for the Reservation Enterprise Zone (REZ). This bill also gives businesses in REZ an option to take advantage of exemptions and credits that are available in Enterprise Zones.