

**75TH OREGON LEGISLATIVE ASSEMBLY 2009 Regular Session
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 2067A
CARRIER: Rep. Bailey**

**REVENUE: Revenue Impact Issued
FISCAL: No Fiscal Impact**

Action: Do Pass as Amended and be Printed A-Eng.
Vote: 6-4-0
Yeas: Bailey, Gelsner, Kahl, Read, Riley, Barnhart
Nays: Bentz, Berger, Bruun, Sprenger
Exc.:
Prepared By: Chris Allanach, Economist
Meeting Dates: 2/9; 3/20; 3/30; 3/31; 4/1; 4/9

WHAT THE BILL DOES: Assigns most income and corporate excise tax credits one of three sunset dates – January 1 of 2014, 2016, or 2018. (Excludes the personal exemption credit, the credit for taxes paid to another state, the claim of right income credit, and the corporation surplus refund credit.) Creates a default sunset date for new tax credits of six years after the credit is first effective unless statute specifies a different date or states that no sunset is required.

ISSUES DISCUSSED:

- Policy purposes of tax credits and sunset dates
- Credit review options
- Interim work to evaluate credits

EFFECT OF COMMITTEE AMENDMENTS: Replaces bill; Assigns most income and corporate excise tax credits one of three sunset dates – January 1 of 2014, 2016, or 2018; Establishes default sunset date for future tax credits.

BACKGROUND: Most tax credits are included in the Governor's biennial Tax Expenditure Report, which generally includes an evaluation by a state agency that has program expertise related to the credit's policy purpose. For credits that are scheduled to sunset in the subsequent biennium, the Governor recommends whether that tax credit should have its sunset date extended or be allowed to sunset. Roughly half of the existing tax credits have a sunset date.

The table below shows how the credits are categorized in the bill. In some cases, the sunset date contained in the bill is December 31 of a given year; for the sake of brevity and clarity, these are included here as January 1 of the subsequent year. For example, December 31, 2013 is treated as equivalent to January 1, 2014.

<u>January 1, 2014</u>	<u>January 1, 2016</u>	<u>January 1, 2018</u>
Film Production Development Contributions	Youth Apprenticeship Sponsorship	Costs in-lieu of Nursing Home Care
Qualified Research Activities	Contributions of Computer Equipment	Long-Term Care Insurance
Qualified Research Activities (Alternative)	Employer Provided Scholarships	Disabled Child
Long-term Rural Enterprise Zone*	Earned Income Credit	Elderly or Permanently Disabled
Electronic Commerce Enterprise Zone	Rural Medical Practice	Loss of Limbs
Water Transit Vessel Manufacturing	Volunteer Rural Emergency Medical Technicians	Severe Disability
Crop Gleaning	Reservation Enterprise Zone	Child and Dependent Care
Riparian Lands Removed from Farm Production	Public University Venture Development Fund	Working Family Child Care
Diesel Truck Engines (New)	Farmworker Housing Construction	Employer Provided Dependent Care Assistance
Diesel Truck Engines (Retrofit and Repower)	Farmworker Housing Lender's Credit	Child Care Division Contributions
Fish Screening Devices	Oregon Affordable Housing Lender's Credit	Individual Development Account Contributions
Alternative Energy Devices (Residential)	Mobile Home Park Closure	Individual Development Account Withdrawals
Alternative Fuel Stations	Political Contributions	Oregon Life and Health IGA Assessments
Business Energy Facilities	Oregon Cultural Trust	TRICARE Health Care Providers
Energy Conservation Lender's Credit	Retirement Income	Oregon Veterans' Home Physician
Biofuel Consumer Credit		
Biodiesel Used in Home Heating		
Production or Collection of Biomass		
Reforestation		
Fire Insurance		
Workers' Compensation Assessments		

*Certification for this credit is related to property taxes, so the sunset date is technically June 30, 2014.

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