

**75TH OREGON LEGISLATIVE ASSEMBLY 2009 Regular Session
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE**

**MEASURE: HB 2067B
CARRIER: Sen. Burdick
Sen. Morse**

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

Action: Do Pass with Amendments and be Printed B Engrossed

Vote: 4-0-1

Yeas: Hass, Morse, Rosenbaum, Burdick

Nays: 0

Exc.: Telfer

Prepared By: Chris Allanach, Economist

Meeting Dates: 5/7; 5/21

WHAT THE BILL DOES: Assigns most income and corporate excise tax credits one of three sunset dates – January 1 of 2012, 2014, or 2016. (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.) Allows taxpayers claiming the rural medical credit at the time of sunset to continue claiming the credit for an additional ten years. 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:

- Systematic way to review and evaluate tax credits
- Interim work to evaluate credits
- Value of the rural medical credit on recruiting medical professionals to rural areas

EFFECT OF COMMITTEE AMENDMENTS: Replaces bill.

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, 2012</u>	<u>January 1, 2014</u>	<u>January 1, 2016</u>
Film Production Development Contributions	Reservation Enterprise Zone	Costs in-lieu of Nursing Home Care
Qualified Research Activities	Youth Apprenticeship Sponsorship	Long-Term Care Insurance
Qualified Research Activities (Alternative)	Contributions of Computer Equipment	Disabled Child
Long-term Rural Enterprise Zone*	Employer Provided Scholarships	Elderly or Permanently Disabled
Electronic Commerce Enterprise Zone	Earned Income Credit	Loss of Limbs
Water Transit Vessel Manufacturing	Rural Medical Practice	Severe Disability
Crop Gleaning	Volunteer Rural Emergency Medical Technicians	Public University Venture Development Fund
Riparian Lands Removed from Farm Production	Farmworker Housing Construction	Child and Dependent Care
Diesel Truck Engines (New)	Farmworker Housing Lender's Credit	Working Family Child Care
Diesel Truck Engines (Retrofit and Repower)	Oregon Affordable Housing Lender's Credit	Employer Provided Dependent Care Assistance
Fish Screening Devices	Mobile Home Park Closure	Child Care Division Contributions
Alternative Energy Devices (Residential)	Political Contributions	Individual Development Account Contributions
Alternative Fuel Stations	Oregon Cultural Trust	Individual Development Account Withdrawals
Business Energy Facilities	Retirement Income	Oregon Life and Health IGA Assessments
Energy Conservation Lender's Credit		TRICARE Health Care Providers
Biofuel Consumer Credit		Oregon Veterans' Home Physician
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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