

**2009 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 2715                      **STATUS:** A Engrossed  
**SUBJECT:** Tax deferrals for emerging business  
**GOVERNMENT UNIT AFFECTED:** Department of Revenue and Economic and Community  
Development Department  
**PREPARED BY:** Dawn Farr  
**REVIEWED BY:** Laurie Byerly and Steve Bender  
**DATE:** April 28, 2009

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	<u>2009-2011</u>	<u>2011-2013</u>
<b>EXPENDITURES:</b>		
See Comments.		

**REVENUES:**  
    See Revenue Impact Statement prepared by the Legislative Revenue Office.

**EFFECTIVE DATE:** 91<sup>st</sup> day after sine die.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** The bill established provisions for certain corporations to defer state income or excise taxes; directs applicants to file with the Department of Revenue (DOR); allows DOR to enforce the lien for deferred income taxes and adopt rules to administer the program. The program becomes effective on or after January 1, 2010 and sunsets January 1, 2018.

This fiscal impact statement is for the purpose of transmitting the measure from the House Committee on Sustainability and Economic Development to the House Revenue Committee.

The Department of Revenue (DOR) is anticipating a General Fund impact associated with the bill for application processing, rules, account management and system programming. The agency fiscal is still being evaluated. DOR also notes that the bill requires a different interest rate than is normally applied to tax deficiencies. This may require additional computer programming, which could be avoided if the rate were to match the existing regular interest rate for this program.

OECD fiscal associated with the department's efforts to publicize and promote the tax deferral is still pending.

A more complete fiscal analysis on the bill will be prepared as the measure is considered in the House Revenue Committee.