

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

MEASURE NUMBER: HJR 13

STATUS: B-Engrossed Minority Report

SUBJECT: Amending Constitution pertaining to a personal income tax or corporate income tax credit for taxpayer who creates new employment positions. Referring to the next regular general election.

GOVERNMENT UNIT AFFECTED: Oregon Secretary of State

PREPARED BY: Erica Kleiner

REVIEWED BY: Daron Hill

DATE: June 19, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:		
Elections Division		
Voters' Pamphlet – General Fund	\$38,031	\$0
REVENUES:		
Elections Division – General Fund	\$5,500	\$0

EFFECTIVE DATE:

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.

ANALYSIS: This measure would refer for voter approval a Constitutional amendment to extend a personal income tax credit or corporate income tax credit to a taxpayer who creates new employment positions. The tax credit shall be in the amount of \$3,000 for each full-time position that is created or if the created position is part-time the tax-credit is to be extended in a pro-rated amount. The total amount of tax credit allowed to taxpayers shall not exceed \$10 million and the tax credit provision in this measure is repealed on January 2, 2013. The referral would be on the ballot at the statewide biennial general election of 2010.

The fiscal impact to the Secretary of State's office is the state's portion of incremental costs incurred for an already-funded election. The mechanism for funding the voters' pamphlet in the 2010 election cycle has not yet been determined.

There were seven legislative referrals on the 2008 primary and general election ballots; estimates of the number of pages that would be used are based these. Costs of the 202-page (average) 2008 general voters' pamphlet (\$1,067,599), was used for estimating 2009-11 costs. Each referral is assumed to result in seven additional pages in the voters' pamphlet, for a General Fund total of \$38,031. The revenue estimate assumes eleven arguments pro and con would be filed relating to the referral, at \$500 per argument.

Because the total number of initiatives and legislative referrals affecting the 2010 election cycle will not be known until the respective deadlines of the primary and general elections, the cumulative impact, including this measure, cannot be determined. The Legislative Fiscal Office (LFO) assumes that the Secretary will seek a General Fund appropriation from the Emergency Board or Legislative Assembly when the actual voters' pamphlet costs are known.

Under procedures established in ORS 250.125 and 250.127, a financial impact committee is created for each state measure submitted to the ballot through the initiative and referendum processes. For this reason, LFO does not include an estimate of the fiscal impact that would result if HJR 7 were to be adopted by a vote of the people.