

PRELIMINARY

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

Bill Number:	HB 2032
Revenue Area:	Income Taxes
Economist:	Chris Allanach
Date:	2-4-09

Measure Description:

Establishes a \$1,000 personal or corporate income tax credit for the provision of pro bono legal services to certain military personnel. Requires the service member to be active duty, have deployment-related status, or have been released from such duty or status within 180 days of the provision of the legal services. Applies to tax years beginning on or after January 1, 2009.

Revenue Impact (\$Millions):

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
State General Fund	-\$0.15	-\$0.15	-\$0.3	-\$0.3	-\$0.3

Impact Explanation:

Historically, the number of potentially eligible taxpayers has been as high as 150; in recent years that number has fallen to approximately 100. Also, the average personal income tax liability has exceeded \$2,000 (it was \$2,934 in 2006) so eligible taxpayers would likely be able to use the full amount of the credit. (Presumably, the credit could be \$2,000 for joint returns if both taxpayers meet the requirements of the bill.) The revenue impact contains the assumption of greater demand for these legal services given the recent levels of deployment and an additional 50 members of the bar providing the services. Taken together the total number of taxpayers estimated to claim the credit is roughly 150 taxpayers per year.

This revenue impact is based on preliminary information; additional review will be conducted in the House Committee on Revenue.

Creates, Extends, or Expands Tax Expenditure: Yes

(The committee needs to identify a purpose and expected outcome for the new policy.)