

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

<b>Bill Number:</b>	HB 2068 A
<b>Revenue Area:</b>	Income Taxes
<b>Economist:</b>	Chris Allanach
<b>Date:</b>	4-28-09

**Measure Description:**

Clarifies existing statute that certain tax credits (the biomass producer credit, the business energy tax credit, the credit for contributions to the Oregon Production Investment Fund, and the diesel engine repower/retrofit credit) may be sold or transferred only to C-corporations, S-corporations, or personal income taxpayers. Clarifies existing statute that an income or corporate excise tax credit that is transferable may be transferred or sold only once, unless specifically stated otherwise in statute. Requires the Department of Energy to establish by rule a formula to be used in determining the transfer price of credits. Requires the formula to incorporate inflation projections and market real rate of return. Requires the department to update transfer prices quarterly using the formula.

**Revenue Impact:**

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
<b>General Fund</b>	<b>Minimal</b>	<b>Minimal</b>	<b>Minimal</b>	<b>Minimal</b>	<b>Minimal</b>

The minimal impact ranges from a revenue loss of less than \$50,000 to a revenue gain of \$50,000

Much of the bill simply clarifies existing statute. The part of the bill that could have a revenue impact is the policy regarding the transfer price of the credits. By updating the price more frequently, it allows the department to better respond to market conditions. The expected result is a transfer price system that more accurately reflects market expectations. Under the existing system, rapid changes in the economy can lead to periods where the transfer price is higher or lower than market conditions would otherwise suggest. This bill is expected to mitigate those factors.

**Creates, Extends, or Expands Tax Expenditure:      No**