

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

<b>Bill Number:</b>	HB 2649 A
<b>Revenue Area:</b>	Personal Income Taxes
<b>Economist:</b>	Chris Allanach
<b>Date:</b>	6-4-09

**Measure Description:** Creates a 10.8% tax bracket for joint filers with taxable income between \$250,000 and \$500,000 (between \$125,000 and \$250,000 if single) and creates an 11% tax bracket for joint filers with income above \$500,000 (above \$250,000 if single). These rates apply to tax years 2009 through 2011. For tax years after 2011, the top rate is reduced to 9.9% for joint filers with income above \$250,000 (above \$125,000 if single). Phases out the federal tax subtraction for joint filers with adjusted gross income above \$250,000 (above \$125,000 if single). Excludes up to \$2,400 of unemployment compensation for tax year 2009.

**Revenue Impact (\$Millions):**

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
<b>General Fund</b>	<b>\$230</b>	<b>\$242</b>	<b>\$472</b>	<b>\$375</b>	<b>\$379</b>

Most of the revenue impact comes from the higher marginal tax rates – about 92 percent. The remaining eight percent is due to the phase-out of the federal tax subtraction. The leveling of the revenue impact in the latter two biennia is due to the reduction in the top rate to 9.9% beginning with the 2012 tax year. The 2009-11 impact includes a revenue reduction of roughly \$32 million due to the exclusion of unemployment compensation.

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