

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

Bill Number:	HB 2741 A
Revenue Area:	Estate Tax
Economist:	Mazen Malik
Date:	6/5/09

Measure Description:

Moves the estate tax revenue from the general Fund to the bill created, Next generation Fund. Splits in half the resulting revenue to the Oregon opportunity Grant program, and to Department of Education to fund Oregon "early childhood education programs". Applies to revenues received after January 1, 2011. Takes effect on 91st day following adjournment sine die.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
State General Fund	0	(\$45.5)	(\$45.5)	(\$206.3)	(\$219.4)
Oregon opportunity Grant		22.75	22.75	103.15	109.7
early childhood education programs		22.75	22.75	103.15	109.7
Other Funds (Next Generation Fund)		\$45.5	\$45.5	\$206.3	\$219.4
Total		\$0	\$0	\$0	\$0

Impact Explanation:

The estate tax is forecast to be around \$100 million a year going to the general fund. (DAS May 2009 forecast)

The net impact on the state is zero, but the bill moves sources of general fund money to a dedicated fund. The impact on the general fund comes in two ways. The programs that might need to find other sources of funding as a result of dedicating these general fund sources. The other impact might occur when and if there is a calculation of the kicker. The removal of this general fund source from the pool, means this revenue source will not be part of the kicker calibration.

Revenue resulting from this tax will stop going to the general fund and be directed to the Next Generation Fund. The fund is distributed in two halves. The first goes to Oregon student assistance commission for the Oregon Opportunity grant program. The second 50% is dedicated to Early childhood education programs.

Creates, Extends, or Expands Tax Expenditure: Yes No