

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
75th Oregon Legislative Assembly
2010 Special Session
Legislative Revenue Office

Bill Number:	HB 3696 A
Revenue Area:	Estate Taxes/Court Fees
Economist:	Warner/Malik
Date:	02-23-2010 Revised

Measure Description: Transfers revenue from Other Fund account balances to the General Fund. Directs Department of Revenue to recalculate certain estate tax returns for estates of decedents between January 1, 2007 and March 11, 2008. Directs Department of Revenue to make refunds to eligible estates. Modifies court fee language to conform to statute for implementation by Judicial Department.

Revenue Impact (in \$Millions):

	Biennium		
	2009-11	2011-2013	2013-2015
Estate Tax Refunds	-\$0.8	\$0	\$0
Transfers from Other Fund Accounts	+\$50.0	\$0	\$0
General Fund	+\$49.2	\$0	\$0

Impact Explanation:

The estate tax refund estimate is based on a review of estate tax returns containing natural resource property from estates of decedents between January 1, 2007 and March 11, 2008. The estate tax refund from identified returns was calculated by determining the tax due under rules established by the Department of Revenue following the passage of HB 3201 in the 2007 regular session compared to the calculation under the natural resource estate tax credit established in the 2008 Special Session (HB 3618). It is possible that additional returns that were not identified in the review may emerge. This would have the effect of increasing the revenue impact.

Transfers of Other Funds account balances included in this measure will be used in the budget adjustments in House Bill 5100. That adjustment anticipates a net \$50 million increase in General Fund resources. A detail account of those transfers can be found in the Fiscal Impact reports (LFO budget report).

The impact of this measure on court fees will not increase revenue if passed, however the revenue might decrease if the measure is not enacted. About \$500,000 will not be collected if this measure doesn't pass. The passage of HB 2287 (2009) was assumed to be implemented in a certain way. However, when implementation of the new fees commenced in courts a discrepancy between intent and language in the bill arose. This measure is needed for the revenue amounts and funds intended for the court revenue restructure process carried in HB 2287 of the 2009 session. The original estimate for HB 2287 was about \$39 million.

Creates, Extends, or Expands Tax Expenditure: Yes—expands temporarily