

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

Bill Number: HB 3698 A
Revenue Area: State Finance
Economist: Paul Warner
Date: Feb. 15, 2010

Measure Description: Establishes Building Opportunities for Oregon Small Business Today (BOOST) account to be managed by Oregon Business Development Department. Funds are to be directed at loans for eligible small businesses and to employers for hiring eligible unemployed workers. Allocates \$3.5 million from Tax Amnesty Fund to the Department of Revenue. Directs Department of Revenue to expand enforcement activities of employers and other businesses. Establishes Tax Enforcement Fund and directs Department of Revenue to place collections from enhanced enforcement activities into fund. Transfers up to \$7 million from Tax Enforcement Fund to BOOST account.

Revenue Impact (in \$Millions):

| | Fiscal Year | | Biennium | | |
|----------------------|-------------|---------|----------|------------|-----------|
| | 2009-10 | 2010-11 | 2009-11 | 2011-2013* | 2013-2015 |
| Amnesty Fund | -\$3.5 | \$0 | -\$3.5 | | |
| Tax Enforcement Fund | \$0 | +\$7.0 | +7.0 | +\$18.0 | |
| Net Revenue | -\$3.5 | +\$7.0 | +3.5 | +\$18.0 | |

- Based on assumption that Department of Revenue receives additional \$5.8 million for enforcement activities.

Impact Explanation: \$3.5 million is transferred from the Amnesty Fund to the Department of Revenue for tax enforcement activities. These activities are expected to produce \$7 million in corporate tax revenue based on information gathered from the tax amnesty program completed November 19, 2009. If the Department of Revenue receives an additional \$5.8 million for enforcement activities in the 2009-11 budget, gross corporate income tax collections are expected to rise another \$18 million.

Creates, Extends, or Expands Tax Expenditure: Yes No