

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

**Bill Number: HB 3698 B
Revenue Area: State Finance
Economist: Paul Warner
Date: Feb. 22, 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 \$3 million from Tax Enforcement Fund to BOOST account. If SB 1017 becomes law, amount transferred to the BOOST account is limited to \$5 million. Transfers all remaining moneys in the Tax Enforcement Fund to the General Fund on June 30, 2011. Any moneys remaining in Tax Enforcement Fund and the BOOST account on June 30, 2013 are to be transferred to the General Fund.

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	
<i>Allocation from Tax Enforcement Fund</i>					
To BOOST**		\$5.0	\$5.0		
To General Fund**		\$2.0	\$2.0		

*Based on assumption that Department of Revenue is allocated \$5.8 million in 2011-13 budget to continue enforcement activities.

**Based on assumption that SB 1017 becomes law. If it does not, \$3.0 million is allocated to BOOST account and \$4.0 million is allocated to the General Fund.

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 during the 2009-11 biennium based on information gathered from the tax amnesty program completed November 19, 2009. Up to \$3 million of these additional collections will be transferred to the BOOST account. If SB 1017 becomes law, up to \$ 5 million will be transferred from the Tax Enforcement Fund to the BOOST account.

Creates, Extends, or Expands Tax Expenditure: Yes No