FISCAL IMPACT OF PROPOSED LEGISLATION **Measure: SB 883 - 2**
Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:
Repeals the Farm Capital Gain exclusion and the existing definition and tax rate schedule for long-term capital gains. Defines long-term capital gains and provides a schedule for subtraction of capital gains amounts included in federal taxable income. Provisions of bill become effective only if voters approve SJR 26 at next general election.

Government Unit(s) Affected:
Department of Revenue(DOR)

Summary of Fiscal Impact

	2011-13 Biennium	*2013-15 Biennium*
General Fund	0	310,349
Total Funds	**$0**	**$310,349**
Positions	0	3
FTE	0.00	2.25

Local Government Mandate:
This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:
The measure takes effect only if voters approve SJR 26 at the general election held in November 2012. The bill repeals the Farm Capital Gain exclusion and the existing definition and tax rate schedule for long-term capital gains.

The Department of Revenue (DOR) estimates that the primary impacts of the bill include Information Technology (IT) systems updates, increased workload from processing and auditing returns, mailing supplies and postage, and creation of paper and electronic forms and schedules. DOR would add 1.5 FTE beginning in tax year 2014 for auditing functions and 0.75 FTE beginning in tax year 2014 for administrative and processing functions. Some IT and form creation functions would be accomplished using existing resources, but up to 150 hours of IT programming may be required to add subtraction codes, capture federal tax information, and calculate the subtraction amounts based on taxpayers returns in 2013.