

*Preliminary*

**REVENUE IMPACT OF  
 PROPOSED LEGISLATION**  
**Seventy-Sixth Oregon Legislative  
 Assembly**  
**2011 Regular Session**  
**Legislative Revenue Office**

**Bill Number: SB 817 - 2**  
**Revenue Area: Incomes Taxes**  
**Economist: Chris Allanach**  
**Date: 6/15/2011**

**Measure Description:** Creates a tax credit against income and corporate excise taxes equal to 39 percent of the cost of a qualified equity investment. States that the credit is taken over seven years – no credit for the first two years, a seven percent credit in year three, and an eight percent credit in each of the subsequent four tax years. States that the credit is nonrefundable but may be carried forward to any tax year. Limits the total amount of tax credits that may be claimed to \$16 million. Applies to qualified investments made between July 1, 2012 and June 30, 2016.

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2011-12	2012-13	2011-13	2013-2015	2015-2017
General Fund	\$0	\$0	\$0	-\$2.1	-\$6.7

**Impact Explanation:**

The revenue impact estimates are based on the assumption that 25 percent of the allowed investments would be made in 2012, 50 percent in 2013, 25 percent in 2014. Because no credit is allowed for the first two years of the investment, there is no revenue impact in 2011-13.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No

The policy purpose of this measure is to increase private capital investments in Oregon small business operating in low-income communities.