

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2167 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Extends the sunset on the income tax credit allowed for contributions to the Oregon Production Investment Fund through the 2017 tax year. Changes the cap on total income tax credits authorized for such contributions from \$15 million per biennium to an unspecified amount. Increases maximum reimbursement from Oregon Production Investment Fund for film or television production for certain films.

Government Unit(s) Affected:

Department of Revenue (DOR), Business Development Department (Business Oregon), Oregon Film

Indeterminate Fiscal Impact

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:

HB 2167 extends the sunset on the income tax credit allowed for contributions to the Oregon Production Investment Fund (OPIF). The credit is currently set to sunset after the 2011 tax year. The bill extends the credit through the 2017 tax year, and changes the \$15 million per biennium cap on total credits to an unspecified amount. The bill caps the total reimbursement to local filmmakers at \$500,000 per fiscal year. The bill also increases the maximum reimbursement from the OPIF for film or television productions using Oregon residents, and provides that the Legislative Assembly may cancel income tax credits otherwise due to contributors to the Fund by appropriating funds directly into the Oregon Production Investment Fund.

The OPIF currently receives funds solely from contributions. Contributors are eligible to receive an income tax credit, subject to limitations, that equals or actually exceeds the amount they contribute into the Fund.

The bill has a minimal workload impact on the Department of Revenue, the Oregon Business Development Department and the Oregon Film and Video Office. Expenditures from the OPIF to filmmakers, however, will increase as result of extending the income tax credit for OPIF contributions. The impact of the bill on OPIF contributions is indeterminate, however, and will depend primarily on the cap that is approved for total tax credits when the bill is further amended.