

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

Bill Number: HB 2167 - A
Revenue Area: Income Taxes
Economist: Chris Allanach
Date: 4/6/2011

Measure Description: Increases the total amount of annual tax credits from \$7.5 million to an amount that is blank and extends the sunset date from January 1, 2012 to January 1, 2018. Limits the total reimbursement from the Oregon Production Investment Fund to local filmmakers to \$500,000 per fiscal year. Creates the option for the Legislative Assembly to make an annual appropriation to the Oregon Business Development Department for deposit into the Oregon Production Investment Fund. Sets the amount of the appropriation equal to the total amount that would otherwise have been certified for tax credits during that fiscal year, less the discount provided by law. Disallows the tax credit and allows for the refund of taxpayer contributions if such an appropriation is made. Extends the sunset date to issue film production labor rebate certificates from January 1, 2012 to January 1, 2018. Takes effect on the 91st day following adjournment sine die.

Revenue Impact (in \$Millions): This bill would result in a revenue loss due to the change in the cap on tax credit certificates from \$7.5 million and from the two sunset date extensions. If, instead, an appropriation is made and the credit disallowed, the revenue impact would be limited to the film production labor rebates. Assuming this bill is referred to the Joint Committee on Tax Credits, further analysis will be conducted when the bill is in that committee.

Impact Explanation: The timing of the revenue impact depends primarily on the rate at which the tax credit certificates would be issued. There would be a revenue impact even if the credit is extended at a lower level than the \$7.5 million because the entire credit sunsets under current law. The bill states that the issuance of tax credit certificates applies to those that are issued on or after the effective date of this Act.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to promote and sustain economic growth through maintaining a competitive and robust film industry.