

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

Bill Number: HB 2291 - A
Revenue Area: Income Taxes
Economist: Chris Allanach
Date: 4/15/2011

Measure Description: Creates a tax credit against income and corporate excise taxes for contributions made to qualified scholarship granting organizations. Sets the credit equal to the total contribution made, up to 50 percent of the taxpayer's tax liability for the tax year. Allows unused credits to be carried forward up to three years. Applies to tax years beginning on or after January 1, 2012.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2011-12	2012-13	2011-13	2013-2015	2015-2017
General Fund	\$0	-\$77	-\$77	-\$176	-\$201

Impact Explanation: Based on the 2011-13 Tax Expenditure Report, contributions to educational organizations are projected to result in tax deductions that reduce taxpayer liability by \$54.2 million in 2009-11 and by \$61.8 million in 2011-13. The preliminary revenue impact of this bill is based on the assumption that 20 percent of these contributions are to eligible organizations as defined in the bill. To the extent such contributions are tax deductible, taxpayers would be allowed to also utilize the tax credit. The impact could be lower if actual contributions to such eligible organizations are lower. The impact could be higher if contributions increase as a result of the tax credit. Further analysis will be done when the bill is in the Joint Committee on Tax Credits.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is
(to be completed by the House Committee on Education)