

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

Bill Number: HB 3345
Revenue Area: Income Taxes
Economist: Chris Allanach
Date: 4/8/2011

Measure Description:

Changes the schedule for claiming conservation Business Energy Tax Credits from 10% in each of the first two years and 5% in the subsequent three years to a schedule that is currently blank for each of the five years of the tax credit. Changes the schedule for claiming renewable energy and manufacturing Business Energy Tax Credits from 10 percent for each of the five years to a level that is blank in each year. Applies to tax credits that may be first claimed in tax year 2011.

Revenue Impact (in \$Millions):

Changing the credit schedules would not change the overall revenue impact of the tax credits, but it would change the timing. Depending on how the schedules are changed (they are currently blank), different biennia could have either a revenue loss or a revenue gain. For example, if the tax credits are changed such that they are more heavily weighted to later years compared to current law, there would be a revenue gain in the near biennia and revenue loss in later biennia. Conversely, if the schedules were changed such that the credits became more front loaded compared to current law, there would be a revenue loss in the near biennia and a revenue gain in later biennia. Further analysis will be done when the bill is in the Joint Committee on Tax Credits.

Impact Explanation:

Creates, Extends, or Expands Tax Expenditure: Yes No