

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

Bill Number: HB 3420
Revenue Area: Income Taxes
Economist: Chris Allanach
Date: 3/17/2011

Measure Description:

Reduces the capital gains tax rate for personal income and corporate taxpayers if, after the effective date of the Act, an amount equal to the gain is invested as seed capital in emerging growth business during tax year. Sets different levels of rate reduction depending on if the investment is made within a targeted sector industry, a key sector industry, or a critical sector industry, as defined by the Oregon Business Development Department. Applies to tax years 2011 through 2014.

Revenue Impact (in \$Millions):

There would be a revenue loss from this bill that would depend on the number of eligible taxpayers and the amount of capital gains eligible for the reduced tax rates. Further analysis will be conducted when the bill is in the House Committee on Revenue.

Impact Explanation:

Creates, Extends, or Expands Tax Expenditure: Yes No

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