

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

Bill Number:	SB 686
Revenue Area:	Corporate Taxes
Economist:	Chris Allanach
Date:	3/21/2011

Measure Description: Extends the sunset date for the corporate income tax credit for fire insurance policies from January 1, 2012 to January 1, 2018. Takes effect on the 91st day following adjournment sine die.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2011-12	2012-13	2011-13	2013-2015	2015-2017
General Fund	\$0	-\$0.8	-\$0.8	-\$1.5	-\$1.5

Impact Explanation: The preliminary revenue loss shown here is the net impact from the interaction between the corporation income and state insurance taxes paid by the insurance companies. Extending the sunset date for this tax credit decreases revenue from the corporation income tax compared to current law. However, that decrease could be offset by an increase in the insurance taxes paid by the corporations. The estimates here assume the increase in insurance taxes only partially offsets the decrease in the corporation income tax. Further analysis will be conducted 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 Senate Committee on Business, Transportation and Economic Development)