

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Sixth Oregon Legislative Assembly
2012 Regular Session
Legislative Revenue Office

| | |
|----------------------|-------------------------------|
| Bill Number: | SB 1588 |
| Revenue Area: | Unemployment Insurance |
| Economist: | Dae Baek |
| Date: | 2/9/2012 |

Measure Description: Excludes from the definition of employment, for purposes of unemployment insurance benefits, service performed in the operation of a passenger motor vehicle that is operated as a taxicab or for nonemergency medical transportation, by a person who has an ownership or leasehold interest in the vehicle, for an entity operated by a board of owner-operators elected by the members of the entity. Takes effect on the 91st day after the adjournment sine die of the 2012 regular session of the 76th Legislative Assembly.

Revenue Impact (in \$Millions):

| | Fiscal Year | | Biennium | | |
|--|----------------|----------------|----------------|-----------------|----------------|
| | 2011-12 | 2012-13 | 2011-13 | 2013-2015 | 2015-2017 |
| Unemployment Insurance Trust Fund Balance | -\$0.01 | -\$0.08 | -\$0.09 | -\$ 0.17 | -\$0.17 |

Impact Explanation: This bill creates an exclusion from the Unemployment Insurance (UI) tax for the entities specified under the bill. According to the Oregon Employment Department, taxable wages subject to this exclusion for the calendar year 2011 are estimated to be \$4.6 million. There will be less contribution to the UI Trust Fund from these entities. At the same time, the laid-off employees of these entities will not be eligible for unemployment benefits, resulting in less benefits paid out. On net, the Department estimates that the decrease in the UI Trust Fund would amount to \$85,000 per calendar year.

Creates, Extends, or Expands Tax Expenditure: Yes No