

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2325**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***

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**Measure Description:**

Directs Legislative Assembly to appropriate from General Fund to State School Fund amount equal to amount of corporate income and excise tax kicker calculated under Oregon Constitution.

**Government Unit(s) Affected:**

Legislative Assembly, Department of Education, school districts

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

House Bill 2325 makes technical changes to the corporate kicker statute to conform to Measure 85 approved by voters in November 2012. Under previous law, when actual corporate income and excise tax revenue exceeds the close of legislative session estimate by 2% or more, revenue above the forecast was returned to corporate taxpayers through an income tax credit. Measure 85 allocated the corporate revenue in excess of the forecast to the state General Fund for purposes of funding public education, kindergarten through twelfth grade. In addition, House Bill 2325 requires the Legislative Assembly to appropriate the entire amount equal to any future 2% corporate surplus kicker calculation to the State School Fund. The bill specifies that this amount appropriated is in addition to "the total amount of revenues the Legislative Assembly would otherwise appropriate, allocate or make available for the biennium for funding kindergarten through grade 12 public education" in the absence of a corporate kicker.

Measure 85 and this bill may result in more resources in the State School Fund in certain years, but it is not possible to quantify the impact because the size of the corporate kicker cannot be predicted. Also note, under current law, the Legislature has the discretion to determine how the available General Fund revenues may be appropriated. This bill could put constraints on the distribution of General Fund revenues in any given biennium when a corporate kicker exists.