

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2456 - 12

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:

For purposes of personal income taxation, changes connection point from federal adjusted gross income to federal taxable income by eliminating allowance of itemized deductions or standard deduction.

Government Unit(s) Affected:

Department of Revenue(DOR)

Summary of Expenditure Impact:

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	2013-15 Biennium	2015-17 Biennium
General Fund	\$80,100	
Lottery Funds		
Other Funds		
Federal Funds		
Total Funds	\$80,100	\$0
Positions	0	
FTE	0.00	

Summary of Revenue Impact

	2013-15 Biennium	2015-17 Biennium
General Fund		
Lottery Funds		
Other Funds		
Federal Funds		
Total Funds	\$0	\$0

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:

The measure eliminates certain itemized deductions on personal income over \$125,000 for single filers and \$250,000 for joint filers; increases the corporate minimum tax for Oregon sales of more than \$100 million by 0.1 percent of the excess over \$100 million; decreases the corporate tax bracket threshold from \$10 million to \$2.5 million and increases the corporate income tax rate in the higher bracket by three-tenths of one percent. The measure requires that corporations required to file a return in Oregon that are incorporated in certain countries (non-exempt jurisdictions) include the income of any unitary corporation when determining Oregon taxable income. The bill also would increase the threshold rate where by excess corporate excise tax collected would be deposited in the Oregon Rainy Day Fund by nine-tenths of one percent.

The measure will require the Department of Revenue (DOR) to key in extra lines on paper returns for a very small number of returns. This will be done using existing resources. The bill will also require the DOR to modify the programming for both the personal income tax and corporate tax systems. This work is anticipated to be performed by contractors and is expected to involve about 890 hours of programming and system testing at a one-time cost of \$80,100 General Fund.

This measure is not expected to increase the cost of the agency's replacement of its core legacy information technology systems, if such replacement occurs during the 2013-15 or the 2015-17 biennia.

The DOR fiscal impact assumes no additional enforcement activities beyond what is currently budgeted.