

REVENUE: Revenue statement issued

FISCAL: No fiscal impact

Action: Do Pass and be referred to Joint Committee on Tax Credits by prior reference

Vote: 9 - 0 - 0

Yeas: Barnhart, Berger, Dembrow, Hicks, Holvey, Hoyle, Jenson, Kennemer, Garrett

Nays: 0

Exc.: 0

Prepared By: Erin Seiler, Administrator

Meeting Dates: 2/18, 2/27

WHAT THE MEASURE DOES: Extends sunset for tax credit for contributions to Trust for Cultural Development through January 1, 2020.

ISSUES DISCUSSED:

- History of tax credit of Trust for Cultural Development
- Utilization of tax credit
- Attributes of donor base
- Cultural impact of arts programs
- Types of grants made to local programs with contributions
- Policy purpose of tax credit
- Creation of incentives for improvement of cultural development in Oregon
- Ability to bring art, music, and dance to students throughout state
- Impact of arts and cultural sector on local and state economies
- Removal of barriers to access of music programs for families
- Evidence that it stimulates additional giving in Oregon
- Impact of allowing tax credit to sunset
- Current size of the Oregon Cultural Trust endowment and source of money
- Strategy for funding from existing donors above amount of tax credit
- Funding of community-based programs and cultural opportunities
- Appropriateness of means testing
- Balance policy goal and impact on general fund
- Positive impact of art, music, or dance programs for schools
- Entrepreneurial benefits

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: A credit is allowed against personal or corporate income tax for contributions made to the Trust for Culture Development Account. To qualify for the credit, the taxpayer must first make a contribution to an Oregon cultural organization and then make a contribution of equal or lesser value to the Trust for Cultural Development Account. The credit is equal to the amount of the contribution to the Trust for Cultural Development Account, not to exceed \$500 for a single filer, \$1,000 for joint filers and \$2,500 for corporations. The Oregon Department of Revenue reported that in 2010 the personal income tax revenue impact of the Trust for Cultural Development was \$3.1 million with about 6,500 Oregonians utilizing it.

In 2009, House Bill 2067 established sunset dates for most income and corporate excise tax credits. The measure set the sunset for the Trust for Cultural Development tax credit as January 1, 2014. House Bill 2470 would extend the sunset for tax credit for contributions to the Trust for Cultural Development through January 1, 2020.

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This summary has not been adopted or officially endorsed by action of the committee.