

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Seventh Oregon Legislative
Assembly
2013 Regular Session
Legislative Revenue Office**

Bill Number:	SB 245 B
Revenue Area:	Property Tax, Income Tax
Economist:	Christine Broniak
Date:	6/10/2013

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Authorizes designation of enterprise zones or electronic commerce zones and cities, addition of zone cosponsors, and change of enterprise zone boundaries without application subject to determination by the Oregon Business Development Department (OBDD) that statutory requirements are met. Requires zone sponsor to notify and consult with OBDD at least 60 days prior to submitting notice of designation of enterprise zone, designation of e-commerce zone or city, or boundary change for final determination by OBDD. Directs OBDD to make determination in order received if more than one notice designating zone or city submitted. Increases the maximum number of Electronic Commerce Enterprise Zones from 10 to 15. Effective on 91st day after adjournment sine die.

Revenue Impact (in \$Millions):

	2013-15	2015-17	2017-19
General Fund	-\$0.257	-\$0.265	-\$0.273

Property tax (schools and local government) impact indeterminate, but negative.

Impact Explanation: The portion of this measure that has a revenue impact is the expansion of the limit of Electronic Commerce Enterprise Zones from 10 to 15. There are currently 10 of these zones. The zones have both income tax and property tax exemptions associated with them. The tax credit associated with E-commerce zones is 25 percent of investments for the year, up to a maximum of \$2 million. For the 10 zones currently established, the impact in the 2013-15 biennium was -\$500,000. The impact of adding 5 more prior to 2014 is an additional -\$257,000 in 2013-15.

There is also an indeterminate loss to property tax revenue, as electronic commerce enterprise zones have a lower threshold for business personal property that is qualified for exemption from \$50,000 for property not used in the production of tangible goods to \$1,000.

Creates, Extends, or Expands Tax Expenditure: **Yes** **No**

To stimulate and protect economic success...throughout all regions of the state, but especially in those communities at the center of or outside major metropolitan areas for which geography may act as an economic hindrance...by providing tax incentives for employment, business, industry and commerce and by providing adequate levels of complementary assistance to community strategies for such interrelated goals as environmental protection, growth management and efficient infrastructure." (ORS 285C.055).