

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

**Bill Number: HB 2305 - 2
Revenue Area: State Finance
Economist: Paul Warner
Date: 6-25-13**

***Only Impacts on Original or Engrossed
Versions are Considered Official***

Measure Description:

Modifies 2011-13 close of session estimate for corporate income tax collections for purposes of calculating the 2% surplus kicker for corporations. Increases the estimate to \$995 million. Allocates actual 2011-13 corporate collections above the original close of session estimate to the Community College Support Fund.

Revenue Impact (in \$Millions):

Based on the May 2013 revenue forecast, HB 2305-2 will increase General Fund revenue in the 2013-15 biennium by \$20.3 million.

Impact Explanation:

The increased revenue results from raising the 2011-13 corporate income tax revenue estimates thereby removing a 2% surplus corporate kicker credit. However, corporate income tax collections since the release of the May forecast have fallen below expectations. Based on collections through the week of June 17-21, corporate collections are running about \$5 million over the 2011 close of session estimate. If this pattern holds through the end of the biennium, there will be no corporate kicker under current law and \$5 million would be transferred to the Community College Support Fund under HB 2305-2.

Creates, Extends, or Expands Tax Expenditure: No