

77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE

MEASURE: HB 2456-A25
CARRIER:

DRAFT

REVENUE:
FISCAL:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Warner, Economist
Meeting Dates: June 20, 27, 2013

WHAT THE BILL DOES: States the intention of the Legislature is to allocate the revenue raised by the bill to the state school fund, community colleges and higher education, senior programs and mental health services. Reforms the senior medical deduction by converting the current deduction to a subtraction, restricting use of the subtraction to only those who are age eligible, phasing out the subtraction for higher incomes and gradually raising the age eligibility from 62 to 66 over a period of 8 years. Specifies that married filing separate taxpayers apply the single filer income range when phasing out the federal tax subtraction. Lowers the net income threshold for applying the 7.6% corporate income tax rate from \$10 million to \$2.5 million. Adjusts rate at which corporate collections flow to the Rainy Day Fund from revenue above 6.6% to revenue above 7.15%. Phases out the personal exemption credit for adjusted gross income between \$100,000 and \$125,000 for single filers or between \$200,000 and \$250,000 for joint filers. Increases the tax on other tobacco products from 65% of wholesale price to 70%. Imposes proportional increases in taxes on moist snuff and cigars. Increases state cigarette tax from \$1.18 per pack to \$1.28 per pack. Establishes floor tax on cigarettes held in inventory at time of implementation of higher tax. Dedicates the additional cigarette revenue to the Oregon Health Authority.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENTS: Replaces bill.

BACKGROUND:

State Capitol Building
900 Court St NE, Room 143
Salem, OR 97301-1347

Phone: 503-986-1266
Fax: 503-986-1770
<http://www.leg.state.or.us>