

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2456 - A31

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

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

Prepared by: Matt Stayner
Reviewed by: John Borden
Date: 6/28/13

Measure Description:

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. 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 Oregon Earned Income Tax Credit from 6% to 8% of the federal earned income credit allowable to an individual for the 2013 tax year. Establishes a cigarette distribution tax equal to 5/10ths of one cent of each cigarette distributed, the monies received being transferred to the Oregon Health Authority fund for community mental health programs. 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. Decreases the percentage distribution of tobacco taxes to be dedicated to the state medical assistance program. Establishes floor tax on cigarettes held in inventory by dealers and distributors.

Government Unit(s) Affected:

Department of Revenue(DOR)

Analysis:

The proposed legislation has been determined to have
MINIMAL EXPENDITURE IMPACT
on state or local government.

While this individual measure has a “Minimal” fiscal impact, an agency may incur a net fiscal impact greater than minimal depending on the cumulative impact of all measures enacted into law that affect the agency.