

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

Bill Number: HB 2474  
Revenue Area: Income Taxes  
Economist: Chris Allanach  
Date: 3/5/2012

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

**Measure Description:** Extends the sunset date for two tax credits from January 1, 2014 to January 1, 2020. Applies to the farmworker housing construction credit and the farmworker housing lender's credit.

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2013-14	2014-15	2013-15	2015-2017	2017-2019
Construction Credit	\$0	-\$0.2	-\$0.2	-\$0.6	-\$0.9
Lender's Credit	\$0	-\$0.1	-\$0.1	-\$0.1	-\$0.2
<b>General Fund Total</b>	<b>\$0</b>	<b>-\$0.3</b>	<b>-\$0.3</b>	<b>-\$0.7</b>	<b>-\$1.1</b>

**Impact Explanation:** As reflected in the table above, most of the revenue impact is due to the construction tax credit. For tax years 2010 and 2011, an average of 70 personal income tax filers and roughly 10 corporate tax filers claimed total of just under \$900,000 in tax credits (personal income tax claimants account for roughly 35 percent). An average of \$400,000 was used to reduce tax liability each year. The construction tax credit is taken over five years and contains a five-year carryforward, meaning any unused tax credits may be used in subsequent tax years. Because of this structure, there is a timing lag in how the credit affects the revenue stream. The lender's credit is typically used by fewer than five taxpayers per year with an annual revenue impact of roughly \$50,000 per year. The estimated revenue impact assumes recent stability in the tax credit usage continues and reflects the gradual expiration of tax credits awarded prior to the existing sunset date.

# Further Analysis Required

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

The policy purpose of this measure is