

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2883**

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

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

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**Measure Description:**

Provides credit against income taxes for fees paid by member of Oregon National Guard or military reservist for Internet service provided outside United States.

**Government Unit(s) Affected:**

Department of Revenue(DOR), Oregon Military Department

**Summary of Expenditure Impact:**

Please see analysis

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

The measure creates a tax credit for taxpayers who are active duty members in the Oregon National Guard or a military reservist who are deployed to a location outside the United States. The tax credit allowed under the measure is for the actual cost paid by the taxpayer for Internet access or usage. This tax credit would reduce a taxpayer's personal income tax liability, but the measure is silent about whether the amount, or a portion of the amount, is refundable to the taxpayer should the taking of the credit result in a negative tax liability.

If the credit is not refundable, the fiscal impact to the Department of Revenue would be minimal, however if the credit would be refundable, the DOR would incur one-time costs of programming and system updates that are estimated to be about \$100,000.