

**77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 2325
CARRIER:**

REVENUE: No Revenue Impact
FISCAL: Fiscal Statement Issued

Action: Do Pass and be Referred to Ways and Means by Prior Reference
Vote: 8-0-1
Yeas: Bailey, Bentz, Berger, Conger, Davis, Read, Vega Pederson, Barnhart
Nays: 0
Exc.: Gelser

Prepared By: Paul Warner, Economist
Meeting Dates: 2/21, 3/27

WHAT THE BILL DOES: Directs Legislature to appropriate amount equal to any future 2% corporate surplus corporate kicker calculation to State School Fund. Specifies that amount appropriated is in addition to amount Legislature would have appropriated to State School Fund in the absence of corporate kicker. Makes technical changes to corporate kicker statute to conform to Measure 85 approved by voters in November 2012.

ISSUES DISCUSSED:

- Meaning of "addition to" State School Fund
- Linkage to language in Measure 85
- Potential impact on budget process
- Need for review by Ways and Means Committee

EFFECT OF COMMITTEE AMENDMENTS: No Amendments

BACKGROUND: The 2% corporate kicker was initially approved by the 1979 Legislature. In 2000 voters responding to a legislative referral put the main elements of both the personal and the corporate kicker in the state constitution. Measure 85 modifies the corporate kicker starting with calculations based on the 2013-15 biennium. The 2% surplus revenue calculation based on the difference between actual corporate income tax revenue and the estimate prepared at the end of the regular legislative session will continue under the measure. However, the revenue that results from the calculation will be "retained in the General Fund and used to provide additional funding for public education, kindergarten through twelfth grade". Under previous law this excess corporate revenue was returned to corporations through an income tax credit.

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>