

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

MEASURE: HB 2305 - A
CARRIER: Rep. Read

REVENUE: Revenue Impact Statement Issued
FISCAL: Fiscal Impact Statement Issued

Action: Do Pass as Amended and be Printed Engrossed
Vote: 5-4-0
Yeas: Bailey, Gelser, Read, Vega Pederson, Barnhart
Nays: Bentz, Berger, Conger, Davis
Exc.: 0

Prepared By: Paul Warner, Economist
Meeting Dates: 6/5, 6/21

WHAT THE BILL DOES: Modifies 2011-13 close of session estimate for corporate income tax collections for purposes of calculating the 2% surplus kicker for corporations. Increases the estimate to \$995 million. Allocates actual 2011-13 corporate collections above the original close of session estimate to the community college support fund. Based on the May revenue forecast this measure would direct \$20.3 million to community colleges.

ISSUES DISCUSSED:

- Current corporation tax collections and impact of the bill
- Constitutional authority and approach
- Timing of bill process

EFFECT OF COMMITTEE AMENDMENTS: Replaces bill

BACKGROUND: Since its creation in 1979, the personal kicker has been suspended once (in 1991) and the corporation kicker has been suspended twice – in 1993 and 2007. The suspension of the kickers in 1991 and 1993 were pursuant to budget problems associated with the implementation of Measure 5 (1990), which significantly changed the property tax system. In 2007, the Legislature suspended the corporation kicker and redirected the revenue to the newly established Rainy Day Fund.