

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

Bill Number: HB 2763 - C  
Revenue Area: Income Taxes  
Economist: Chris Allanach  
Date: 6-25-2013

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

**Measure Description:** Increases the maximum amount of qualified low-income community investments eligible for the tax credit from \$4 million to \$8 million. Establishes a five-year carryforward for the tax credit. Makes technical changes to the timing of issuing the investment for environmental projects. Ignores the Qualified Equity Investment tax credit when applying the amount of corporate taxes used in the calculation of the retaliatory tax. Requires the Oregon Business Development Department to disclose certain information related to the issuance of the tax credits. The changes to the investment cap and carryforward apply to tax years beginning on or after January 1, 2014. The change pertaining to environmental projects applies to investments made on or after July 1, 2012. The change affecting the retaliatory tax applies to tax years beginning on or after January 1, 2013.

**Revenue Impact:** A minimal revenue gain or loss of less than \$100,000 per biennium.

**Impact Explanation:** This bill does not change the total amount of tax credits allowed to be granted. The tax credit program includes a cap on the amount of tax credits that may be issued and the current law revenue forecast, released in May 2013, includes the assumption that the full amount of tax credits will be awarded by the end of 2014. The increase in the investment cap could change the number of qualified projects under the existing program, but does not change the program's tax credit cap. The change to the retaliatory tax is expected to affect which types of entities would be claiming the tax credit. Insurance companies pay the retaliatory tax and this bill is expected to make these investments, and thus the credit, more appealing to these taxpayers.

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