

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

**MEASURE: HB 3367 - A
CARRIER: Rep. Barnhart**

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

Action: Do Pass as Amended and be Printed Engrossed

Vote: 7-2-0

Yeas: Conger, Davis, Gelser, Read, Speaker Kotek, Vega Pederson, Barnhart

Nays: Bentz, Berger

Exc.: 0

Prepared By: Chris Allanach, Economist

Meeting Dates: 6/21; 6/27; 7/1

WHAT THE BILL DOES: Extends the following tax credits for six years: earned income (including a federal reconnect and expansion to 8% of the federal amount), political contributions (with an income cap), cultural trust, pension, rural EMT (doubling the credit amount), employer scholarships, farmworker housing construction, manufactured home park closure. Extends the rural medical practice tax credit (with modifications to the eligibility requirements) for two years. Creates a new manufacturing tax credit that sunsets in 2018. Increases the research and development tax credit cap to \$2 million. Increases the cap on film and video tax credits to \$15 million per year. Changes the transit tax credit from a 5-year credit to a one-year credit. Extends the subtraction for manufactured home park gains. Disallows the biomass tax credit for canola grown in the Willamette Valley. Clarifies the three-year structure of the University Venture Development Fund tax credit. Requires revenue impact statement to provide estimates for three biennia and include a public policy purpose statement. Sunsets the workers compensation tax credit. Makes a technical correction to the tax credit for livestock killed by wolves.

ISSUES DISCUSSED:

- Policy choices of enhancements to certain tax credits
- Interaction of tax policy and other policies such as healthcare and housing
- Concerns regarding the structure of certain tax credits such as the film & video credit, the manufacturing credit, the rural medical credit, and the earned income tax credit
- Direct spending compared to indirect spending

EFFECT OF COMMITTEE AMENDMENTS: Replaces bill

BACKGROUND: In 2009, the Legislature passed and the Governor signed HB 2067, which placed sunset dates on nearly every income tax credit. The bill also put the tax credits on a rotating cycle for review. The first review was conducted by the 2011 Legislature. This bill reflects the policy choices of the Legislature for the second group of tax credits.

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