

77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE

MEASURE: HB 3367 - B
CARRIER: Sen. Burdick

REVENUE: Revenue Impact Statement Issued
FISCAL: Minimal Fiscal Impact, no statement issued

Action: Do Pass with Amendments to the A-Eng Bill. (Printed B-Eng.)
Vote: 5-0-0
Yeas: Baertschiger, George, Hass, Rosenbaum, Burdick
Nays: 0
Exc.: 0

Prepared By: Chris Allanach, Economist
Meeting Dates: 7/6

WHAT THE BILL DOES: Extends the following tax credits for six years: earned income (including the federal reconnect), political contributions (with an income cap), cultural trust, pension income, rural EMT, employer scholarships, farmworker housing construction (including references to agricultural workers), and the manufactured home park closure. Extends the rural medical practice tax credit (with modifications to the eligibility requirements) for two years. Extends the subtraction for manufactured park capital gains for six years. Clarifies the double deduction prohibition for the research and development tax credit. 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. Creates a default six-year sunset date for tax expenditures enacted after January 1, 2014. Sunsets the workers compensation tax credit. Makes a technical correction to the tax credit for livestock killed by wolves. Increases the annual cap on film and video tax credit from \$6 million to \$10 million per year (including other reimbursement policy changes). Restricts the additional senior medical deduction to the expenses of taxpayers who are age eligible for the program (at least age 62). Restricts the maximum federal tax subtraction for Married-filing-separate taxpayers to 50 percent of the amount allowed for other taxpayers.

ISSUES DISCUSSED:

- Impact of the film and video tax credit on economic activity in Oregon
- Impact of the earned income tax credit on low-income families
- Potential additional changes to the additional senior medical deduction

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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