

A-Engrossed
House Bill 2505

Ordered by the House May 9
Including House Amendments dated May 9

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires that revenue impact statement prepared on measure that would create tax expenditure include revenue impact for **at least** three consecutive biennia, beginning with current biennium. **Requires that revenue impact statement prepared on measure that would create or extend tax expenditure include description of public policy purpose of tax expenditure.** Requires future tax expenditures to sunset within six tax years of initial tax year in which tax expenditure is applicable.

A BILL FOR AN ACT

1
2 Relating to tax expenditures; amending ORS 173.025 and 315.050.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 173.025 is amended to read:

5 173.025. (1) The Legislative Fiscal Officer, with the aid of the Oregon Department of Adminis-
6 trative Services, Legislative Revenue Officer, state agencies and affected local governmental units,
7 including school districts, shall prepare a fiscal impact statement on each measure reported out of
8 a committee of the Legislative Assembly that could have an effect on expenditures of local govern-
9 mental units, including school districts.

10 (2) The Legislative Revenue Officer, with aid of the Legislative Fiscal Officer, the Department
11 of Revenue, state agencies and affected local governmental units, including school districts, shall
12 prepare a revenue impact statement on each measure reported out of a committee of the Legislative
13 Assembly that could have any effect on revenues of local governmental units, including school dis-
14 tricts.

15 **(3)(a) As used in this subsection, "tax expenditure" has the meaning given that term in**
16 **ORS 291.201.**

17 **(b) If a revenue impact statement is prepared pursuant to subsection (2) of this section**
18 **on a measure that creates a tax expenditure, the revenue impact statement must include the**
19 **revenue impact of the measure for at least three consecutive biennia, beginning with the**
20 **current biennium.**

21 **(c) If a revenue impact statement is prepared pursuant to subsection (2) of this section**
22 **on a measure that creates or extends a tax expenditure, the revenue impact statement must**
23 **include a statement describing the public policy purpose of the tax expenditure. The public**
24 **policy purpose statement is subject to review by the committee recommending passage of the**
25 **bill.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **SECTION 2.** ORS 315.050 is amended to read:

2 315.050. (1) **As used in this section, “tax expenditure” has the meaning given that term**
3 **in ORS 291.201.**

4 (2) Any tax credit enacted by the Legislative Assembly on or after January 1, 2010, shall apply
5 for a maximum of six tax years beginning with the initial tax year for which the credit is applicable,
6 unless the Legislative Assembly expressly provides for another period of applicability.

7 (3) **Any tax expenditure enacted by the Legislative Assembly on or after January 1, 2014,**
8 **shall apply for a maximum of six tax years beginning with the initial tax year for which the**
9 **tax expenditure is applicable, unless the Legislative Assembly expressly provides for another**
10 **period of applicability.**

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