

PRELIMINARY

77TH OREGON LEGISLATIVE ASSEMBLY
2014 REGULAR SESSION
STAFF MEASURE SUMMARY
HOUSE FINANCE AND REVENUE COMMITTEE

MEASURE: HB 4072
CARRIER:

REVENUE:
FISCAL:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Vijay A Satyal, Economist

Meeting Dates:

WHAT THE BILL DOES: Creates an incentive in the form of a subtraction from federal taxable income for upto \$500 in cash dividends paid by employer to employee for participaton in “workplace wellness program”.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENTS:

BACKGROUND: Employee wellness programs rely on the basic theory that employees’ in a workplace would attend to their personal health better, if rewarded with an incentive. Such incentive(s) can be monetary or non-monetary (free counselling or coaching programs or vacation perks) and focus on screening activities and/or intervention efforts.

HB 4072 creates a subtraction of up to \$500 from federal taxable income for an employee as a result of participation in a workplace wellness program. There are a number of similar programs currently under implementation across the U.S. Assessing the effectiveness of such programs calls for detailed information about participation rates in either the individual “sub-wellness programs” or the program as a whole.

A recent U.S. Department of Labor (US DOL) commissioned study in 2013 by RAND Inc (“Workplace Wellness Programs Study” – Mattke et. Al- 2013) found that over half of U.S. employers offer wellness promotion initiatives. The study also found average participation rates to vary by the differing wellness programs from a low of 7% to 46%.

As per ORS 315.050, this tax credit would be applicable for a maximum of six tax years or be effective starting January 1,2015 and expire on January 1, 2021, unless the Legislative Assembly expressly provides for another period of applicability.

State Capitol Building
900 Court St NE, Room 143
Salem, OR 97301-1347

Phone: 503-986-1266
Fax: 503-986-1770
<http://www.leg.state.or.us>