

PRELIMINARY

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

MEASURE: HB 4067
CARRIER:

REVENUE:
FISCAL:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 2/11

WHAT THE BILL DOES: Modifies the preferential tax rates applied to non-passive income. Creates one preferential tax bracket of up to \$250,000 that is taxed at the rate of seven percent. Modifies the hours-of-work requirement by reducing the aggregate total from 1,200 to 1,000 hours and reducing the weekly threshold from 30 to 20 hours. The non-passive income changes apply to tax years beginning on or after January 1, 2016. Moves the sunset date for the manufacturing Business Energy Tax Credit (BETC) from January 1, 2014 to January 1, 2020.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENTS:

BACKGROUND: The preferential tax rates and brackets for non-passive income were created during the 2013 Special Session and are scheduled to take effect with tax year 2015. Under current law, there are six brackets with tax rates ranging from seven percent to 9.9 percent. The manufacturing BETC expired at the beginning of this tax year. This bill would renew the tax credit and create a new sunset date.

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