

# PRELIMINARY

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

MEASURE: SB 1532  
CARRIER:

REVENUE:  
FISCAL:

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Action:

Vote:

Yeas:

Nays:

Exc.:

**Prepared By:** Paul Warner, Economist

**Meeting Dates:** February 12, 2014

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**WHAT THE BILL DOES:** Modifies method for calculating revenue transferred to the Shared Services Fund. Requires Department of Administrative Services to separately state personal income tax revenue attributed to newly created jobs and retained jobs. Directs Department of Administrative Services to transfer 5% of estimated income tax revenue associated with Strategic Investment Program projects to the Local Economic Opportunity Fund. The Shared Service Fund is to receive 50% of the remaining income tax revenue identified with new and retained jobs. If the revenue from retained jobs originates in a county in which the amount of income tax revenue attributable to projects exceeds \$5 million, the Department of Administrative Services is to deposit 40% of identified income tax revenue in the fund. Specifies that Shared Service Fund calculations apply to all Strategic Investment Project agreements entered into between 2008 and 2024 for the life of the project. Sunsets Shared Service Fund calculation for new Strategic Investment Program agreements entered into after January 1, 2024.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENTS:**

**BACKGROUND:**

The Shared Services Fund was established by the Legislature in 2007 (SB 954). The bill required firms receiving property tax relief under the Strategic Investment Program (SIP) to report average employment and wages directly attributed to the project receiving property tax relief to the Business Development Department. The Business Development Department then forwards this information to the Department of Administrative (DAS) for calculation of the amount to be deposited in the Shared Services Fund. DAS estimates the amount of personal income tax collections associated with the project by calculating the average state income tax bill for the average wage multiplied by the number of eligible employees. 50% of this figure is then allocated on an annual basis to local taxing districts based on the allocation of the community services fees under the Strategic Investment Program.

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