

*DRAFT*

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
Seventy-Seventh Oregon Legislative  
Assembly  
2014 Regular Session  
Legislative Revenue Office

Bill Number: SB 1534 - 5  
Revenue Area: Income Tax  
Economist: Chris Allanach  
Date: 2/10/2014

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

**Measure Description:** Reinstates the tax credits for the severely disabled and for disabled children. Makes a number of technical clarifications to existing statute. Clarifies an Internal Revenue Code reference and the calculation of the phase-out for the medical subtraction. Clarifies the applicability of the 2.5 percent tax on IC-DISCs to those formed prior to January 1, 2014. Clarifies that certain cigarette tax revenue is directed to the General Fund. Aligns the meaning of "material participation" to federal law. Limits the authority of the Department of Revenue to waive penalty and interest in certain cases to tax year 2013.

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2013-14	2014-15	2013-15	2015-17	2017-19
General Fund	-\$0.2	-\$0.3	-\$0.5	-\$0.3	\$0

**Impact Explanation:** The estimate is based on the historic use of the credits and their respective growth rates. In tax year 2011, there were a total of 528 severely disabled credits and 685 disabled child tax credits claimed for filers with income above the income thresholds.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No

The purpose of these two measures is to reinstate the full amount of the tax credits.