

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

Bill Number: HB 4005 – A7
Revenue Area: Income and Property Tax
Economist: Christine Broniak
Date: 2/24/2014

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

Measure Description: Increases the cap on the total number of electronic commerce zones from 10 to 15. Takes effect on the 91st day following adjournment sine die. Exempts property used for museum exhibits for museums organized before January 1, 2010 from taxation in counties with less than 125,000 in population. Applies to tax years beginning July 1, 2011 and before July 1, 2018

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2013-14	2014-15	2013-15	2015-17	2017-19
Electronic Commerce Zone Expansion General Fund	\$0	-\$0.08	-\$0.08	-\$0.16	-\$0.08
Museum Property Exemption – Counties and Local Government	-\$0.54	-\$0.21	-\$0.75	-\$0.19	\$0.16
Museum Property Exemption - Schools	-\$0.44	-\$0.17	-\$0.61	-\$0.16	\$0.13
Total	-\$1.03	-\$0.48	-\$1.50	-\$0.53	-\$0.39

Impact Explanation: The estimated revenue impact for the electronic commerce zone expansion is based on historical tax returns. The number of claimants has varied between roughly 10 and 20 for tax years 2005 through 2010. Due to the historical volatility, the estimates represent the expected value over time.

The impact for the museum exemption is based on taxes owing for tax years 2011-12, 2012-13 and 2013-14 and future taxes through tax year 2017-18. Taxes owed since the 2011-12 tax year are reflected in the 2013-14 fiscal year and the 2013-15 biennium revenue loss figures.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to meet increased demand for electronic commerce zone designations and to exempt certain aviation and space museums from property taxation.