

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

Senate Committee on Education

REVENUE: May have revenue impact, statement not yet issued**FISCAL: May have fiscal impact, statement not yet issued****SUBSEQUENT REFERRAL TO: Senate Committee on Rules**

Action:**Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Gretchen Engbring, Administrator**Meeting Dates:** 2/12

WHAT THE MEASURE DOES: Proposes to amend Oregon Constitution to transfer excess personal income tax revenues to state school fund for kindergarten through twelfth grade public education. Refers amendment to next regular general election for people's approval or rejection.

ISSUES DISCUSSED:**EFFECT OF COMMITTEE AMENDMENT:**

-1 amendments (proposed) transfer excess personal income tax revenues to Education Stability Fund

BACKGROUND: In 1979, the Oregon Legislature passed a law that required the state to refund excess tax revenue to taxpayers when actual General Fund revenues exceeded the forecasted amount by more than 2 percent. This state surplus refund is commonly referred to as a "kicker." The corporate kicker and personal income tax kicker are distinct and administered separately.

In 2012, voters repealed the corporate kicker through Measure 85, which diverted excess corporate income tax revenues into a fund for k-12 public education, instead of rebating the money to companies. Currently, if state personal income tax collections exceed revenue projections by 2 percent or more over a two-year span, the state must rebate the excess revenues to taxpayers.

Senate Joint Resolution 2 proposes to amend the Constitution by requiring that excess personal income tax revenues be deposited into a state school fund established by law to provide additional funding for kindergarten through twelfth grade (k-12) public education.