

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office

Bill Number: SB 129-5
Revenue Area: State Finance
Economist: Paul Warner
Date: 4-2-15

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

Measure Description:

Directs Department of Revenue to distribute funds previously transferred to the Shared Services Fund. Modifies distribution of income tax revenue estimated from wages associated with Strategic Investment Program projects. Extends allocation of identified income tax revenue from 2019 to 2029. Modifies implementation of sunset by making agreements for eligible projects reached prior to the sunset date eligible for payments for the life of the project.

Revenue Impact (in \$Millions):

| Fund | 2015-17 | 2017-19 | 2019-21 |
|--------------------------------------|---------|---------|----------|
| General Fund | \$0 | -\$67.4 | -\$147.2 |
| Allocations by Department of Revenue | \$0 | +\$67.4 | +\$147.2 |

Department of Revenue Allocation (in millions)

| Allocation | 2015-17 | 2017-19 | 2019-21 |
|-----------------------------------|---------|---------|---------|
| Washington County Tax Districts | \$37.7 | \$52.0 | \$58.4 |
| All Other Local Tax Districts | \$0.7 | \$1.0 | \$1.2 |
| State School Fund | \$28.2 | \$39.0 | \$43.8 |
| HE Coordinating Council | \$14.1 | \$19.5 | \$21.9 |
| Technical Education Grant program | \$14.1 | \$19.5 | \$21.9 |

Impact Explanation: Revenue projections based on March 2015 revenue forecast through the 2018-19 fiscal year. Under current law, revenue impact drops to zero in 2018-19 fiscal year and beyond. Strategic Investment Program wage income assumed to grow 6% annually to account for modest job growth and wage growth. However, a major new Strategic Investment Program agreement has the potential to push the General Fund revenue impact well beyond the current impact estimate.

Creates, Extends, or Expands Tax Expenditure: Yes No