

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

**Bill Number: SB 44 - 2  
Revenue Area: Income Taxes  
Economist: Chris Allanach  
Date: 4/2/2015**

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

**Measure Description:** Moves the sunset date of the tax credit for contributions to a University Venture Development Fund to January 1, 2024. Changes the structure of the tax credit from one that is claimed in equal parts over three years with no carryforward to one that may be fully claimed in one year and has a 3-year carryforward. Increases the maximum annual tax credit per taxpayer from \$50,000 to \$1 million. Increases the program tax credit cap from \$8.4 million to \$25 million. The structural changes apply beginning with tax year 2016.

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

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
<b>General Fund</b>	<b>\$0</b>	<b>-\$0.8</b>	<b>-\$0.8</b>	<b>-\$1.6</b>	<b>-\$1.6</b>

**Impact Explanation:** The preliminary revenue impact provided here is based on the historical pattern of tax credits and the proposed structural changes. Between 2008 and 2015, the average certified tax credit ranged from roughly \$6,800 to \$15,900. The annual number of credits ranged from 27 to 95. In the most recent three years there has been an average of 90 certified tax credits valued at just under \$8,400. Of the roughly 455 donations since 2008, only one percent has been at least \$100,000. The initial assumption here is that the annual tax credits would increase by 10 percent due to the proposed structural changes.

The increase in the tax credit cap per taxpayer, however, could lead to a significant increase in some donations. For example, to receive the maximum credit of one million dollars, a taxpayer would need to contribute \$1.67 million. A significant number of such donations could increase the average amount of tax credits issued. For example, if average donations were to double, then the revenue impact estimates would similarly change. Further work on the possible impact – particularly the likelihood of large donations – will be done when the bill is in the Joint Committee on Tax Credits.

**Further Analysis Required**

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

The policy purpose of this measure is