

REVENUE:  
FISCAL:  
SUBSEQUENT REFERRAL TO:

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Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: James LaBar, Administrator

Meeting Dates: 3/16, 4/13

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**WHAT THE MEASURE DOES:** Extends sunset of corporate tax offset of insurer assessment from January 1, 2016 to January 1, 2022.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

**BACKGROUND:** These assessments are used to pay claims against insurers who have gone out of business. Because the tax credit equals the amount of the assessment (taken uniformly over five years), a reasonable interpretation of its purpose is to subsidize the cost of these policies with General Fund resources.

Insurance companies are allowed a credit against corporate income taxes for certain assessments paid to the Oregon Life and Health Insurance Guaranty Association (OLHIGA). Qualifying assessments are those that are used to cover the cost of claims against insurers who have gone out of business (these are known as class B assessments). The allowed credit is taken over five years and equals 20 percent of the assessment for each year beginning with the year in which the assessment was paid.