

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

**Bill Number: HB 2447 - A4  
Revenue Area: Income Taxes  
Economist: Chris Allanach  
Date: 5/14/2015**

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

**Measure Description:** Modifies the tax credit cap calculation for category one alternative energy devices. For alternative fuel devices, the cap would be the lesser of 50 percent of the cost of the device or \$750. (The cap in current law is based on 25% of the cost.) For all other category one devices, the cap would be the lesser of 50 percent of the cost of the device or \$1,500. (The cap in current law does not include a cost calculation.) Expands rulemaking authority for the Department of Energy to reduce incentive levels according to market conditions. Applies to certifications granted and tax years beginning on or after January 1, 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>\$0.3</b>	<b>\$0.3</b>	<b>\$0.3</b>	<b>\$0</b>

**Impact Explanation:** The estimated revenue impact is the net effect of policies that opposite impacts. The increase in the tax credit cap for alternative fuel devices would result in a revenue loss of roughly \$25,000 annually. The modification of the tax credit cap on all other category one devices would result in a revenue gain of just over \$300,000 annually. These estimates are derived from modeling the proposed policies on certification data from the Department of Energy for prior years. The amended (-A4) version of the bill does not change the current law sunset date of January 1, 2018.

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