

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 3542 - 1**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***

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**Measure Description:**

Requires chief sponsor of measure creating or expanding tax credit to submit statement of purpose to legislative committee on revenue.

**Government Unit(s) Affected:**

Legislative Administration Committee (LAC), Legislative Revenue Office (LRO)

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

House Bill 3542 with the – 1 amendment requires that for each proposed legislative measure that is submitted for filing and that creates a tax credit or provides for expanded allowance, in amount or duration, of tax credit, the chief sponsor or a proponent must submit to a legislative committee related to revenue a statement of purpose. The bill specifies what must be included in the statement of purpose.

In addition the bill directs the Legislative Revenue Officer (LRO) to:

- Prepare, at the beginning of each odd-numbered legislative session, if there is sufficient information to make the determination, a list of all tax credits that have revenue impact for the most recent tax year that exceeds the revenue impact projected in the most recent revenue impact statement prepared.
- Identify those credits for which the revenue impact exceeds the projected revenue impact by at least 10% and that may be claimed in tax years beginning on or after January 1 of the next even year.

The bill also requires a revenue committee to consider all tax credits identified by LRO as required by this bill at a public hearing.

Passage of this bill is anticipated to have a minimal fiscal impact on the Legislative Revenue Office. LRO will use existing staff and resources to prepare the tax credit information required by this bill.

The bill does not specify the professional staff that will be responsible for the drafting of statement of purpose for each proposed legislative measure creating or expanding a tax credit. If this responsibility falls on Committee Services, this may increase the workload for committee staff.