

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

**Bill Number: SB 242
Revenue Area: Unemployment Insurance
Economist: Dae Baek
Date: 2/16/2015**

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

Measure Description: Makes changes in the Oregon State Statutes to conform to federal requirements in the Oregon Employment Department's participation in the U.S. Treasury Offset Program (TOP) and work share eligibility practice. Takes effect on passage.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
Unemployment Insurance Trust Fund	-\$0.01	-\$0.01	-\$0.02	-\$0.13	-\$0.20

Impact Explanation: This bill makes several changes to bring the Oregon State Statutes in conformity with federal requirements governing the Oregon Employment Department's participation in the TOP and work share practice. Non-conformity would result in Oregon employers paying additional \$1.11 billion per biennium in Federal Unemployment Insurance taxes. Two changes have impact on the flow of the Unemployment Insurance (UI) Trust Fund.

First, the bill expands the set of individuals and businesses that are bound by the TOP referrals, which will bring in additional proceeds to the UI Trust fund. The Oregon Employment Department (OED) estimates the revenues from this change to be \$470,000 for the 2015-17 biennium and \$386,000 for the 2017-19.

Second, the bill removes the provision that disqualifies individuals from receiving shared work benefits under certain conditions. Under this change, the portion of work share benefits paid back by employers become covered benefits by the UI Trust Fund, necessitating the Fund to increase UI benefit payment. OED projects that this change will lead to a net outflow of \$490,000 from the Fund for the 2015-17 biennium and \$513,000 for the 2017-19.

The revenue impact shows the net effect of these two changes.

Creates, Extends, or Expands Tax Expenditure: No