

**PRELIMINARY STAFF MEASURE SUMMARY**

**House Committee On Revenue**

**Fiscal:** Has minimal fiscal impact

**Revenue:** No Revenue Impact

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**Action Date:**

**Action:**

**Meeting Dates:**

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**WHAT THE MEASURE DOES:**

Combines the existing Working Family Child Care tax credit and the Child & Dependent Care tax credit into a single Working Family Child and Dependent Care tax credit beginning with tax year 2016 through tax year 2021.

Moves the sunset date for the following tax credits from January 1, 2016 to January 1, 2022:

- IDA Contributions
- IDA Withdrawals
- Oregon Veterans' Home Physicians
- Oregon Life and Health IGA Assessments

Makes policy changes to the following tax credits in addition to moving their sunset date from January 1, 2016 to January 1, 2022:

- Severe disability (limits to taxpayers with no more than \$100,000 of income)
- Child with a disability (limits to taxpayers with no more than \$100,000 of income)
- University Venture Development Fund (increases program tax credit cap to \$15 million and the taxpayer tax credit cap to \$600,000, makes other administrative changes)
- Office of Child Care Contributions (increases the annual tax credit cap from \$500,000 to \$2.5 million, makes program changes for how the funds are used)

Moves the sunset date for the Rural Medical Providers tax credit from January 1, 2016 to January 1, 2018.

Modifies the tax credit cap for certain Residential Energy Tax Credit projects and increases the incentive for solar thermal projects, without changing the sunset date.

Moves the sunset date for the Film & Video tax credit from January 1, 2018 to January 1, 2020.

Moves the sunset date for the Long-Term Care Insurance tax credit from January 1, 2016 to January 1, 2015.

Increases the Earned Income Tax Credit from 8% to 14% of the federal credit for taxpayers with a dependent under the age of 2, without changing the sunset date.

Declares that tax credit may not be used to offset the Corporation Minimum Tax; applies for tax years 2015 through 2020.

Makes various policy changes regarding identified tax havens.

Eliminates the 50 cent tax cap on cigars, beginning January 1, 2016 through December 31, 2021.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

Replaces bill

**BACKGROUND:**

With HB 2067 in 2009, nearly all tax credits have been subject to a policy review that includes the statutory sunset dates. Roughly speaking, one-third of such tax credits are reviewed each legislative session. The review conducted in 2015 completes the first round of such reviews, following work done in 2011 and 2013. This bill and amendment represent the recommendations from policy committees regarding which tax credits should be extended and in what form.