

DRAFT

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

Bill Number: SB 925 - A6
Revenue Area: Income/Tobacco Taxes
Economist: Chris Allanach
Date: 6/23/2015

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

Measure Description: Extends several tax credits and modifies other tax policies to offset set a portion of the cost of tax credit modifications.

Revenue Impact (in \$Millions):

| | Fiscal Year | | Biennium | | |
|---------------------------|---------------|----------------|----------------|----------------|----------------|
| | 2015-16 | 2016-17 | 2015-17 | 2017-19 | 2019-21 |
| Tax credit policy changes | \$10.4 | -\$59.0 | -\$48.6 | -\$132.6 | -\$128.3 |
| Corporation tax policy | \$9.7 | \$9.9 | \$19.6 | \$21.1 | \$21.9 |
| Federal tax subtraction | \$3.0 | \$6.4 | \$9.4 | \$25.0 | \$44.6 |
| Cigar tax | \$1.1 | \$5.4 | \$6.5 | \$10.6 | \$10.6 |
| General Fund | \$24.2 | -\$37.3 | -\$13.1 | -\$75.9 | -\$51.2 |

Impact Explanation: The estimated impacts for the tax credit policy changes are based on analyses of the historical use of each tax credit as reported on income tax returns. If the only change to a tax credit is to the sunset date, the estimates are based on trend analysis. In cases where additional policy changes are made, the estimates are based on the application of such policies to the historical data. Estimates related to the corporation minimum tax are based on historical data regarding the collective use of tax credits and projections of tax credits allowed under current law. Estimates for the federal tax subtraction are based on the June 2015 economic and revenue forecast for personal income tax filers. Estimates for changes regarding tax havens are based on current projections from the impact of HB 2460 from 2013; no data are yet available from the implementation of the original policy. Estimates for the cigar tax are based on historical collections data.

Creates, Extends, or Expands Tax Expenditure: Yes No

Working Family Child and Dependent Care

To enable low-income working families to care for young children and disabled dependents by offsetting costs so that they may be gainfully employed or attend school full-time

Individual Development Account Contributions

As provided in ORS 458.675: To fund an asset based prosperity strategy for low-income Oregonians that promotes personal financial management, investment, and savings for key assets

Individual Development Account Withdrawals

To increase homeownership rates among low-income Oregonians by offsetting, in part, the transaction costs of purchasing a home

Oregon Veterans' Home Physician

To improve access to long-term, specialized residential care for veterans living in an Oregon Veterans' Home

Oregon Life and Health IGA Assessments

To spread the cost of paying claims against insolvent life & health insurance companies to as broad a base as possible

Severe Disability

To provide financial relief and offset costs associated with a taxpayer's/spouse's disability

Child with a Disability

To provide financial relief and offset costs associated with a child's disability

Rural Medical Providers

To improve access to certain health care providers in rural areas

Public University Venture Development Fund

As provided in ORS 351.697(1): To facilitate the commercialization of university research & development

Office of Child Care Contributions

To improve the quality of child care programs through education awards and quality improvement grants

Film & Video

To establish a sustainable infrastructure for this industry in Oregon for purposes of economic development