

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Action Date:

Action:

Meeting Dates:

Prepared By: Paul Warner, Legislative Revenue Officer

WHAT THE MEASURE DOES:

Directs Department of Revenue to retain un-receipted income tax revenue from capital gains income. Defines method of calculating excess capital gains revenue as the deference between the average revenue over the most recent two tax years compared to average revenue in the three previous years. If the most recent revenue exceeds the previous period, the excess is deposited in the Education Stability Fund.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

Amendment -A8 replaces bill.

BACKGROUND:

Oregon currently has two state reserve funds: the Education Stability Fund and the Oregon Rainy Day Fund. The Education Stability Fund is in the constitution while the Oregon Rainy Day Fund is statutory. Income from capital gains has been identified as the most cyclically sensitive component of taxable personal income.