

PRELIMINARY

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

Bill Number: HB 2171 - 6
Revenue Area: Taxation
Economist: Chris Allanach
Date: 6/30/2015

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

Measure Description: Extends and modifies several tax credits. Prohibits tax credits from being used to offset the Corporation Minimum Tax. Declares certain military active service income earned in Oregon exempt from personal income taxes. Expands the existing charitable property tax exemption to certain museums.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
Tax credit policy changes	\$10.4	-\$48.7	-\$38.3	-\$111.8	-\$124.4
Military income	-\$1.2	-\$0.6	-\$1.8	-\$0.8	-\$0.9
Corporation minimum tax	\$9.5	\$9.7	\$19.2	\$20.4	\$20.7
General Fund	\$18.7	-\$39.6	-\$20.9	-\$92.2	-\$104.6
Local Property Taxes	< \$0.05 per year		-\$0.1	-\$0.1	-\$0.1

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. The estimates are derived from a combination of trend analysis and policy impact analysis. Estimates for the corporation minimum tax are based on historical data on the collective use of tax credits and projections of tax credits allowed under current law. Estimates for the property tax exemption are based on the analysis of local property tax data for properties that will be affected by the changes. Estimates for the military active service income are based on assumptions regarding the number of affected taxpayers and average income levels.

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

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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

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

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

Military Active Duty

To provide tax relief to service members with an out of state address in consideration of their work and sacrifices for their state and country

Museum property taxes

To expand and clarify the existing exemption available to nonprofit history or science museums. The purpose of the underlying exemption is to provide tax relief to property owned or leased by nonprofit corporations in recognition of the social benefits such organizations provide to the public.