

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2091**

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session  
Legislative Fiscal Office

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

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**Measure Description:**

Increases amount of working family child care credit by doubling applicable percentage of taxpayer's child care expenses allowed as credit.

**Government Unit(s) Affected:**

Department of Revenue (DOR), Department of Education, Department of Human Services (DHS)

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

House Bill 2091 increases the amount of Working Family Child Care Credit by doubling the applicable percentage of taxpayer's child care expenses allowed for the tax year 2015.

Department of Revenue (DOR)

With passage of HB 2091, the department estimates an additional 2,383 taxpayers who currently claim this credit and had tax to pay, will now receive a refund. In addition, DOR anticipates mailing 2,350 additional letters to taxpayers requesting proof of their daycare expenses. DOR calculates the cost of processing and mailing these refunds and letters to be \$3,144. Furthermore, with passage of this bill, DOR expects an increase in the number of fraudulent or erroneous returns claiming the credit. Based on the percentage of returns that currently fall into this category, DOR estimates a General Fund cost of \$184,327, and two Administrative Specialist positions (1.00 FTE) for the 2015-17 biennium to handle the increased workload. Ultimately, changes to the anticipated costs to DOR related to tax credits will need to be based on all changes made in this area during the 2015 Session. If the cumulative enactment of other tax credit legislation exceeds expenditure and staffing levels beyond those assumed in the 2015-17 budget, additional General Fund resources may be required.

Department of Education, Department of Human Services (DHS)

Passage of this bill is anticipated to have minimal impact to the Department of Education and the Department of Human Services.