

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

Bill Number: SB 50  
Revenue Area: Income Taxes  
Economist: Chris Allanach  
Date: 4/9/2015

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

**Measure Description:** Moves the sunset date for the contributions for Individual Development Accounts tax credit from January 1, 2016 to January 1, 2022

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
General Fund	\$0	-\$6.6	-\$6.6	-\$13.6	-\$13.8

**Impact Explanation:** The preliminary revenue impact provided here is based on the historical use of the tax credit as reported on tax returns. Between tax years 2005 and 2012, the number of tax credit claimants increased an average of 12 percent. The program has been administered with a cap of \$7.5 million in tax credits certified each year. That cap appears to have been reached in 2012, according to tax return data. The estimates provided here are based on the assumption that the cap would continue to be reached under a program extension. Another key assumption is that roughly 92 percent of the amount claimed is used to reduce tax liability in a given year. On the other hand, there are several tax credits available to taxpayers searching to reduce their tax liability. The state could be approaching a point of market saturation with respect to such tax credits. Further analysis will be done when the bill is in the Joint Committee on Tax Credits.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No

The policy purpose of this measure is

Further Analysis Required