

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

Bill Number: HB 2068 - A  
Revenue Area: Income Taxes  
Economist: Chris Allanach  
Date: 4/20/2015

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

**Measure Description:** Increases the amount of the Oregon Earned Income Tax Credit from eight percent to 14 percent for taxpayers with a dependent under the age of two at the end of the tax year. Applies to tax years 2016 through 2019.

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

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
General Fund	\$0	-\$7.0	-\$7.0	-\$14.6	-\$7.6

**Impact Explanation:** The preliminary estimates provided here are based on the historical use of the tax credit as reflected on Oregon tax returns. The primary source of the age distribution data was 2012 tax returns. In 2012 the tax credit was six percent of the federal credit and just over 258,000 full-year filers claimed the credit. Roughly 13 percent (34,000) of these filers had at least one dependent under the age of two and their average tax credit was \$176. Increasing the tax credit to 14 percent is projected to increase the average tax credit of eligible filers to roughly \$400. Based on historical growth rates for this credit, accounting for policy changes, use of the tax credit is assumed to grow at an annual rate of three percent. 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