

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

Bill Number: HB 2113 - A  
Revenue Area: Income Taxes  
Economist: Chris Allanach  
Date: 4/20/2015

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

**Measure Description:** Extends the sunset date for the tax credit for contributions to the Office of Child Care from January 1, 2016 to January 1, 2022 and increases the annual program cap from \$500,000 to \$2.5 million.

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

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
General Fund	\$0	-\$2.5	-\$2.5	-\$5.0	-\$5.0

**Impact Explanation:** The preliminary revenue impact provided here is based on the historical use of the tax credit, which doubled between 2005 and 2012 from roughly 80 claimants to 160 claimants. The revenue impact also grew during this time period, increasing from roughly \$0.4 million in 2005 to nearly \$0.8 million in 2012. Current law includes an annual program cap of \$500,000 in tax credits that may be issued. The program has been fully subscribed under the existing cap and the estimates provided here are based on the assumption that the cap would continue to be reached under a program extension and expansion. However, 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