

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

**Bill Number: HB 2116 - A
Revenue Area: Income Taxes
Economist: Chris Allanach
Date: 4/20/2015**

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

Measure Description: Creates the Working Family Child and Dependent Care tax credit for tax years 2016 through 2021 that is a percentage of eligible expenses. Ties to federal law regarding the definition of eligible expenses. Limits the amount of eligible expenses to \$12,000 for taxpayers with one qualifying individual and \$24,000 for taxpayers with at least two eligible expenses. Provides the eligible tax credit percentage according to the amount of adjusted gross income as a percentage of the federal poverty level.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
General Fund	\$0	-\$31.9	-\$31.9	-\$64.2	-\$64.9

Impact Explanation: The preliminary impact provided here is based on historical use of the existing Working Family Child Care and Child & Dependent Care tax credits. While there has been year-to-year variation in the growth rates, the cost of the credits has been relatively stable over time. In 2005, roughly \$31.5 million between both tax credits was used to reduce tax liability. With both increases and decreases during the intervening years, in 2012 that figure was \$30.8 million. 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