

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

**Bill Number: HB 2119 - A
Revenue Area: Income Taxes
Economist: Chris Allanach
Date: 4/20/2015**

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

Measure Description: Moves the sunset date for the severe disability tax credit from January 1, 2016 to January 1, 2022 and limits the tax credit to taxpayers with adjusted gross income of \$100,000 or less.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
General Fund	\$0	-\$5.7	-\$5.7	-\$12.5	-\$13.6

Impact Explanation: The preliminary revenue impact provided here is based on the historical use of the tax credit as reported on tax returns. The use of this tax credit between 2005 and 2012 grew at an average rate of 4.8 percent, increasing from roughly 28,800 to 40,100 claimants. During that same time period, the total amount of tax credits used to reduce tax liability each year grew from \$3.2 million to \$5.0 million. Based on a distributional analysis of 2012 tax returns, roughly 11 percent of the revenue loss from this tax credit is attributable to taxpayers whose adjusted gross income exceeds \$100,000. The estimates provided here are based on the assumption that historical growth rates and distributional patterns will continue through tax year 2021. 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