

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY

MEASURE: SB 567 A
CARRIER: Sen. Boquist
Sen. Hass

Senate Committee On Finance and Revenue

Fiscal: Fiscal impact issued
Revenue: Revenue impact issued

Action Date: 05/06/15

Action: Do Pass With Amendments. (Printed A-Eng.)

Meeting Dates: 02/11, 04/09, 04/21, 05/06

Vote:

Yeas: 5 - Baertschiger Jr, Boquist, Edwards, Hass, Riley

Prepared By: Paul Warner, Legislative Revenue Officer

WHAT THE MEASURE DOES:

Directs Department of Revenue to retain un-receipted income tax revenue from capital gains income. Defines method of calculating excess capital gains revenue as the difference between the average revenue over the most recent two tax years compared to average revenue in the two previous years. If the most recent revenue exceeds the previous period, the excess is deposited in the Education Stability Fund. Directs Department of Administrative Services to estimate excess capital gains revenue.

ISSUES DISCUSSED:

- Volatility of General Fund revenue.
- Experience in 2001 and 2008-09 recessions.
- History of revenue from capital gains income.
- Mechanics of estimating and moving excess revenue from income tax collections from capital gains to Education Stability Fund.

EFFECT OF COMMITTEE AMENDMENT:

Replaces Bill

BACKGROUND:

Oregon currently has two state reserve funds: the Education Stability Fund and the Oregon Rainy Day Fund. The Education Stability Fund is in the constitution while the Oregon Rainy Day Fund is statutory. Income from capital gains has been identified as the most cyclically sensitive component of taxable personal income.