

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Action Date: 06/23/15

Action: Do Pass As Amended And Be Printed Engrossed.

Meeting Dates: 06/22, 06/23

Vote:

Yeas: 5 - Barnhart, Lininger, Read, Smith Warner, Vega Pederson

Nays: 4 - Bentz, Davis, Johnson, Whitsett

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WHAT THE MEASURE DOES:

Combines the existing Working Family Child Care and the Child & Dependent Care tax credits into a single Working Family Child and Dependent Care tax credit for tax years 2016 through 2021.

Moves the sunset date for the following tax credits from January 1, 2016 to January 1, 2022:

- IDA Withdrawals
- Oregon Veterans' Home Physicians
- Oregon Life and Health IGA Assessments

Makes policy changes to the following tax credits and moves the sunset date from January 1, 2016 to January 1, 2022:

- IDA Contributions (Expands the eligible use of funds, removes the taxpayer credit cap, allows the credit to be sold at lower rates)
- Severe disability (limits to taxpayers with no more than \$100,000 of income)
- Child with a disability (limits to taxpayers with no more than \$100,000 of income)
- University Venture Development Fund (increases program tax credit cap to \$15 million and the taxpayer tax credit cap to \$600,000, makes other administrative changes)
- Office of Child Care Contributions (increases the annual tax credit cap from \$500,000 to \$2.5 million, makes other program changes)

Moves the sunset date for the Rural Medical Providers tax credit from January 1, 2016 to January 1, 2018. Modifies the tax credit cap for certain Residential Energy Tax Credits and increases the incentive for solar thermal projects, without changing the sunset date. Moves the sunset date for the Film & Video tax credit from January 1, 2018 to January 1, 2020. Moves the sunset date for the Long-Term Care Insurance tax credit from January 1, 2016 to January 1, 2015. Increases the Earned Income Tax Credit from 8% to 14% of the federal credit for taxpayers with a dependent under the age of 2, without changing the sunset date. Declares tax credits may not be used to offset the Corporation Minimum Tax; applies to tax years 2015 through 2020. Freezes the limit on federal taxes that may be deducted on personal income tax returns for six years. Makes policy changes regarding listed tax havens. Eliminates the 50 cent tax cap on cigars, effective January 1, 2016 through December 31, 2021.

ISSUES DISCUSSED:

- Use of sunset dates

- Work done by the policy committees
- Policies with a positive revenue impact
- Process of grouping tax credits into a single bill

EFFECT OF COMMITTEE AMENDMENT:

Replaces bill

BACKGROUND:

With HB 2067 in 2009, nearly all tax credits have been subject to a policy review that includes statutory sunset dates. Roughly speaking, one-third of such tax credits are reviewed each legislative session. The review conducted in 2015 completes the first round of such reviews, following work done in 2011 and 2013. This bill is based on the recommendations from policy committees regarding which tax credits should be extended and in what form.