REVENUE IMPACT OF PROPOSED LEGISLATION

Seventy-Eighth Oregon Legislative Assembly
2015 Regular Session
Legislative Revenue Office

Bill Number:	**SB 129 - B**
Revenue Area:	**State/Local Finance**
Economist:	**Paul Warner**
Date:	**6-29-15**

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Retains 50-50 split of personal income tax revenue from newly created jobs attributed to eligible Strategic Investment Program projects. Reduces local tax district share of income tax revenue attributed to retained jobs to 20%. Caps individual county revenue at $16 million annually. Extends sunset on program from 2019 to 2024. Changes allocation mechanism from a separate shared services fund to a direct allocation by the Department of Revenue.

Revenue Impact (in $Millions):

Impact on General Fund and Local Taxing Districts

		2015-17	2017-19	2019-21
Local Taxing Districts	Current Law	$86.2	$57.8	$0
	SB 129 B	$32.7	$33.0	$33.1
Impact on General Fund		+$53.5	+$24.8	-$33.1

Impact on Allocation

2015-16 Fiscal Year	Current Law	SB 129 B	Change
Washington County	$37,884,427	$16,000,000	-$21,884,427
All Other Counties	$313,220	$313,220	-----
Total	$38,197,647	$16,313,220	-$21,884,427

Impact Explanation: Current law General Fund estimates are based on May revenue forecast. Current program assumed to sunset following 2017-18 fiscal year. The imposition of a $16 million annual cap on individual county revenue drives the General Fund impact. Currently all revenue coming from retained jobs occurs in Washington County. This means that all other counties receiving revenue under the current program will be unaffected because they are under the cap. The cap reduces revenue going to Washington County by $53.5 million. This revenue is retained by the General Fund under SB 129. The allocation for FY15-16 has already been calculated. The above table shows how SB 129 affects that calculation compared to current law. This allocation is scheduled to occur prior to October 5, 2015.

Creates, Extends, or Expands Tax Expenditure: Yes ☐ No ☒