

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
78th Oregon Legislative Assembly
2016 Regular Session
Legislative Revenue Office

Bill Number:	HB 4026 - 3
Revenue Area:	Corporate Tax
Economist:	Chris Allanach
Date:	2/9/2016

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

The revenue impact of this measure is indeterminate for the following reasons:

This policy change pertains to the sale of intangibles and services, not tangible personal property. Corporations that sell only tangible personal property will be unaffected by this change. (The current method of apportionment for these companies is already market-based.) For those corporations that have sales of intangibles or services, whether they experience a tax increase or decrease depends on their specific circumstances. This change in apportionment is expected to increase taxes for some corporations while decreasing taxes for other corporations. Because sufficient data are not available to estimate the relative magnitudes of the gains and losses, the estimated revenue impact is indeterminate. The expectation, however, is that these gains and losses will roughly offset each.