

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

Bill Number: HB 4110 - 3
Revenue Area: Personal Income Tax
Economist: Chris Allanach
Date: 2/11/2016

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

Measure Description:

Increases the Earned Income Tax Credit (EITC) from 8% of the federal credit to 11% of the federal credit for taxpayers with a dependent under the age of three. Applies to tax years 2017 through 2019.

Revenue Impact (in \$Millions):

	Biennium		
	2015-17	2017-19	2019-21
General Fund	\$0	-\$10	-\$5

Impact Explanation:

The estimated revenue impact is based on an analysis of tax returns focusing on the age of dependents as reported by taxpayers. An estimated 58,000 taxpayers will have a tax reduction from this policy change. Their average Oregon EITC is projected to increase from \$229 to \$315.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to provide additional assistance to working families with young children.