

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

Bill Number: HB 4110 - A
Revenue Area: Income and Property
Taxes
Economist: Chris Allanach
Date: 2/17/2016

*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. Clarifies the meaning of the term 'conveyance' so that the partial transfer of property for state highway, county road or city street purposes is exempt from the requirements of ORS 311.411.

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 the policy change to the EITC; their average credit is projected to increase from \$229 to \$315. The change to the definition of 'conveyance' is expected to have a minimal impact on property tax collections.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of the change to the EITC is to provide additional assistance to working families with young children.