

**REVENUE IMPACT OF
PROPOSED LEGISLATION
79th Oregon Legislative Assembly
2017 Regular Session
Legislative Revenue Office**

**Bill Number: SB 181 - 2
Revenue Area: Property Taxes
Economist: Kyle Easton
Date: 3/13/2017**

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

Measure Description:

Requires specified institutions seeking property tax exemption under ORS 307.130 to annually file an information return on or before April 1 preceding each tax year for which exemption is claimed. Specifies contents of information return. Requires reporting institution to include with information return, most recently required and timely filed Form 990 and Form CT-12 of the reporting institution or link to a version of the form that is publicly available on the Internet. Requires property to be disqualified from exemption under ORS 307.130 if information contained in information return or initial application for exemption was misleading or false. Imposes additional taxes on disqualified property in an amount equal to the property taxes that would have otherwise been imposed had the property not been exempt for up to the five immediately preceding property tax years, plus interest computed at the rate of one and one-third percent per month.

Revenue Impact (in \$Millions): Minimal

Impact Explanation:

The measure as amended adds reporting requirements of specified institutions seeking property tax exemption under ORS 307.130, commonly referred to as the Literary, Charitable and Scientific Organizations exemption. While the measure does not contain additional requirements that organizations are required to meet other than reporting requirements, it is expected that some organizations currently qualifying for exemption will not qualify for exemption in years following the additional reporting requirements. This assumption is made because of a potential for increased compliance with current law exemption qualification requirements. Under current law, application to assessor is required to be filed only in initial year of application so long as ownership of property remains unchanged. Information provided on information return may also elucidate a property or organization's exemption qualification status.

Creates, Extends, or Expands Tax Expenditure: Yes No