

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

Bill Number: HB 2852 - 2  
Revenue Area: Income Taxes  
Economist: Chris Allanach  
Date: 4/12/2017

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

**Measure Description:**

Moves the sunset date for the affordable housing lenders tax credit from January 1, 2020 to January 1, 2026. Increases the fiscal year cap on tax credits from \$17 million to \$25 million. Allows a portion of the tax credit to be auctioned each year, based on the amount of tax credits reserved for pending housing projects.

**Revenue Impact (in \$Millions):**

**Impact Explanation:**

The revenue impact for the bill is based on three policy changes: 1) the extension of the tax credit, 2) the increase in the program cap; and 3) the tax credit auction. The revenue impact due to the extension will first occur in the second half of the 2019-2021 biennium. The revenue impact from increasing the program cap, while effective with the 2018 tax year, may not begin until the 2019-21 biennium due to the timing of housing projects. The revenue impact from the tax credit auction could first occur during the 2017-19 biennium, depending on the amount of tax credits sold and the timing of the auction. Further analysis will be done when the bill is in the Joint Committee on Tax Credits.

**Creates, Extends, or Expands Tax Expenditure:**      Yes  No

Legislative documentation from 2011 provided to the House Committee on General Government and Consumer Protection, when the policy was last extended, states that the policy purpose of this tax credit is to support: (1) the development of housing affordable to households with incomes up to 80 percent of area median income; (2) the preservation of housing with federal rent subsidy contracts; and (3) the preservation of manufactured dwelling parks.

Depending on discussion and debate by the House Committee on Human Services and Housing, the policy purpose of this tax credit may be modified.