

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

Bill Number: SB 28 - 9  
Revenue Area: Corporate Income Taxes  
Economist: Chris Allanach  
Date: 5/14/2017

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

**Measure Description:**

For purposes of apportioning C-corporation income from intangibles and services, replaces the cost-of-performance approach with a market-based approach. Takes effect with the 2018 tax year.

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

	Fiscal Year		Biennium		
	2017-18	2018-19	2017-19	2019-21	2021-23
General Fund	\$0	\$5.5	\$5.5	\$11.1	\$11.7

**Impact Explanation:**

The estimates are based on the published estimates of other states that have made the same policy change. Estimates from California, Connecticut, Massachusetts, North Carolina, and Tennessee indicated a positive impact that ranged from roughly 0.2 percent to 1.8 percent of corporation tax collections. The weighted average of these estimates is roughly one percent. The estimated impact above is the result of applying that percentage, adjusting for the size of Oregon's economy, to the current law forecast for Oregon corporation tax collections.

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