

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

Bill Number: SB 596 - 4
Revenue Area: Property Taxes
Economist: Kyle Easton
Date: 5/16/2017

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Expands existing property tax exemption provided under ORS 307.397. Exempts from property taxation machinery and equipment used to compress and bale harvested straw, hay, grass or other plants, for the purpose of storage or shipment. Specifies that such equipment is tangible personal property. Applies to property tax years beginning on or after July 1, 2017.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2017-18	2018-19	2017-19	2019-21	2021-23
Local Governments	-0.1	-0.1	-0.2	-0.2	-0.2
Local Education Districts	-0.1	-0.1	-0.1	-0.1	-0.1
Total Revenue Change	-0.2	-0.2	-0.3	-0.3	-0.3

Impact Explanation:

Impact is based upon information received from county assessors regarding machinery and equipment that is currently subject to ad valorem property taxation. Revenue impact estimate assumes distinction between processing equipment and equipment used to compress and bale harvested plants is generally maintained. A broader interpretation of the new exemption language would lead to greater reductions in property tax revenue.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to provide a property tax exemption to machinery and equipment used to compress and bale harvested straw, hay, grass or other plants commensurate with existing property tax exemptions made available to real and personal property agriculture machinery and equipment used primarily in the preparation of land, planting, raising, cultivating, irrigating, harvesting or placing in storage of farm crops.