

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

Bill Number: HB 2066 - A22
Revenue Area: Tax Credits
Economist: Allanach/Warner
Date: 7-5-17

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Modifies or creates the following tax policy changes:

- Extends the reservation enterprise zone program 10 years.
- Extends the affordable housing lender's tax credit six years and increasing the annual cap to \$25 million.
- Creates the bovine manure tax credit based on the current biomass tax credit, including an annual cap of \$5 million.
- Extends the rural medical provider tax credit four years, creates an income cap, and creates a lifetime cap of ten tax credits per taxpayer.
- Creates employer training credit for eligible counties.
- Extends fish screening credit to 2024.
- Removes the sunset date on the prohibition on using tax credits against the c-corporation minimum tax.
- Makes changes to wage requirements within enterprise zones.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2017-18	2018-19	2017-19	2019-21	2021-23
General Fund	\$0	\$1.0	\$1.0	-\$2.7	-\$9.2

Impact Explanation:

The revenue impact is driven by changes to the affordable lender's and rural medical providers' tax credits. The extension and cap increase to the affordable lender's credit eventually results in a \$6.8 million revenue loss in the 2021-23 biennium. The extension and modifications to the rural medical provider tax credit result in the \$1 million revenue gain in 2017-19 and then eventually turns into a revenue loss in 2021-23 of \$3.9 million. The change in policy regarding C-corporation tax credits has no impact in the first two biennia but does result in a \$1.7 million revenue gain in the 2021-23 biennium.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of the reservation enterprise zone tax credit is to prevent a kind of double taxation between Oregon and Tribal governments. The policy purpose of the affordable housing lender's tax credit is to increase the supply of low-income housing. The purpose of the bovine manure tax credit is to ensure the viability and use of digester technology investment. The purpose of the rural medical provider tax credit is to improve access to health care in rural Oregon.