

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

Bill Number:	SB 166
Revenue Area:	Income Taxes
Economist:	Chris Allanach
Date:	2/14/2017

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Moves the sunset date for the affordable housing lender's tax credit from January 1, 2020 to January 1, 2026.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2017-18	2018-19	2017-19	2019-21	2021-23
General Fund	\$0	\$0	\$0	-\$0.6	-\$2.6

Impact Explanation:

The estimated impact is based on a historical analysis of tax returns, for tax years 2000 through 2014 and an analysis of certification data from the Oregon Housing and Community Services Department. In recent years, on average, 20 corporations collectively claim roughly \$9 million in credits, with \$6 million being used to reduce tax liability. These tax credits cover the twenty-year lifespan of the loans so the extension of the tax credit results in a cost that slowly increases over time.

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.

Further Analysis Required