

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

Bill Number: SB 178
Revenue Area: Income Tax
Economist: Chris Allanach
Date: 2/13/2017

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

Measure Description:

Moves the sunset date for the rural medical provider tax credit from January 1, 2018 to January 1, 2024. Moves the end of the grandfather clause period from January 1, 2027 to January 1, 2033.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2017-18	2018-19	2017-19	2019-21	2021-23
General Fund	\$0	-\$1.1	-\$1.1	-\$5.2	-\$8.5

Impact Explanation:

The preliminary estimate is based on an analysis of tax returns for tax years 2005 through 2014 and includes the change to the value of the tax credit effective with tax year 2016. A time series analysis of tax return data provides the basis for estimating the number of new and returning claimants, as well as the number of taxpayers who stop claiming the tax credit. These estimates are based on a gradual attrition of claimants during the grandfather clause period.

Creates, Extends, or Expands Tax Expenditure: Yes No

Documentation from the 2015 legislation extending this tax credit included the statement that the purpose of this tax credit is to improve access to certain health care providers in rural areas.

Further Analysis Required