

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

Bill Number: SB 171
Revenue Area: Insurance 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 fire insurance tax credit from January 1, 2018 to January 1, 2024.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2017-18	2018-19	2017-19	2019-21	2021-23
Corporation Excise Tax	\$0	-\$4.1	-\$4.1	-\$8.4	-\$9.1
Retaliatory Tax	\$0	\$2.7	\$2.7	\$5.5	\$5.9
General Fund	\$0	-\$1.4	-\$1.4	\$2.9	\$3.2

Impact Explanation:

The estimated impact for the corporation excise tax is based on an analysis of historical corporation tax returns (tax years 2000 through 2014). In recent years, an average of 250 taxpayers have claimed \$8.4 million in tax credits each year; an average of \$3.7 million has been used to reduced corporation excise tax liability. Historical use is projected through tax years 2023. The estimated impact on the retaliatory tax is based on an analysis of the interaction between the two taxes.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure appears to be a method of funding the Office of the State Fire Marshall.

Further Analysis Required