

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

**Bill Number: SB 1
Revenue Area: Income Taxes
Economist: Chris Allanach
Date: 3/20/2017**

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

Measure Description:

Creates a personal income or corporation tax credit for the operating costs of housing for agricultural workers. The credit is 50 percent of eligible costs incurred during the tax year. Costs are reduced by any grants or similar funding received by the owner to compensate for the such costs. Eligible housing must comply with all occupational safety or health laws, rules, regulations, and standards. The credit may not be claimed for units occupied by temporary H-2A workers; or for utilities unless paid by the owner or operator. Requires certification and is refundable. If obtained by a tax-exempt entity, the credit may be transferred. Establishes an annual program cap (currently blank) for credit certifications. The credit is effective for tax years 2018 through 2023.

Revenue Impact (in \$Millions):

Impact Explanation:

This bill would have a revenue loss depending on the timing and amount of tax credits issued. The revenue impact would be estimated based on the demand for these tax credits. If the projected demand is greater than the program cap, then the impact would be driven by the annual cap. Further analysis will be done when the bill is in the Joint Committee on Tax Credits.

Creates, Extends, or Expands Tax Expenditure: Yes No

Based on the information provided during the public hearing, the policy purpose of this measure appears to be a combination of offsetting recent labor cost increases as well as increasing the housing supply for agriculture workers.

Further Analysis Required