

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

Bill Number:	HB 2680
Revenue Area:	Income Taxes
Economist:	Chris Allanach
Date:	3/28/2017

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Moves the sunset date for the renewable energy development tax credit from January 1, 2018 to January 1, 2024. Expands the definition of “renewable energy production system” to include systems that use waste heat.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2017-18	2018-19	2017-19	2019-21	2021-23
General Fund	\$0	-\$1.4	-\$1.4	-\$2.9	-\$2.9

Impact Explanation:

This preliminary impact is based on an analysis of the tax credit auctions held between 2012 and 2016 and tax returns for years 2012 through 2014. In tax year 2014, roughly 160 taxpayers claimed a total of \$1.6 million in tax credits and used \$1.4 million to reduce tax liability. Further analysis will be done when the bill is in the Joint Committee on Tax Credits.

Creates, Extends, or Expands Tax Expenditure: Yes No

This tax credit is sold at auction. Statute states that the funds raised are “...for purposes related to renewable energy development...” and 2015 legislative testimony stated that the tax credit is a means “...to promote investment in renewable energy development...” Depending on work done by the House Committee on Energy and Environment, this purpose may be refined.

Further Analysis Required