

FISCAL IMPACT OF PROPOSED LEGISLATION

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

Measure: HB 2155 - A

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

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Measure Description:

Extends sunset for tax credit for qualified equity investment.

Government Unit(s) Affected:

Business Development Department (Business Oregon)

Analysis:

This bill extends the qualifying investment period sunset, from July 1, 2016 to January 1, 2023, for the Oregon New Market Tax Credit (NMTC) Program within the Oregon Business Development Department (OBDD). Fees paid to a qualified community development entity are not permitted to exceed three percent of the investment amount qualified under the NMTC. The maximum cap on qualified equity investments is raised from \$16 million to \$24 million in a tax year and the maximum amount of qualified low-income community investments is raised from \$8 million to \$10 million. The bill redefines the calculation of annual gross revenue from rental or sale of real estate for qualified low-income community businesses. These changes apply to qualified equity investments made in tax years beginning on or after January 1, 2018.

OBDD estimates that this legislation will result in additional application fee income of \$60,000-\$80,000 Other Funds (OF) revenue in the 2017-19 biennium and \$6,000-8,000 OF in the 2019-21 biennium. Currently, OBDD has 0.50 FTE dedicated to supporting the NMTC workload, and this level of staffing is anticipated to be sufficient for the processing of any additional awards. Increased Attorney General fees to OBDD are estimated to cost \$20,000 OF in the 2017-19 and 2019-21 biennia.