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

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:
Modifies two existing property tax exemptions: exempt lease from taxable owner (ORS 307.112) and exempt lease from exempt owner (ORS 307.166).

Exempt Lease from Taxable Owner - 307.112
To qualify for property tax exemption, requires the lease, sublease or lease-purchase agreement of property held under lease, sublease or lease purchase agreement by exempt entity and used in accordance with exemption requirements, to include terms stating that any tax savings resulting from the exemption shall inure solely to the benefit of the lessee. Requires documentary proof of tax savings in lease terms if assessor is not satisfied that tax savings inure solely to benefit exempt leasing institution or organization.

Exempt Lease from Exempt Owner - 307.166
To qualify for property tax exemption, requires any tax savings resulting from exemption to inure solely to the benefit of the lessee, sublessee or possessor of the property.

Revenue Impact: Minimal loss in revenue

Impact Explanation:
The measure has the potential to reduce and/or streamline administrative requirements of qualifying for property tax exemption under ORS 307.112 and 307.166. As such, measure is expected to slightly increase the number of leased properties qualifying for exemption thus causing a minimal loss in property tax revenue.

Creates, Extends, or Expands Tax Expenditure: **Yes** ☒ **No** ☐

The policy purpose of this measure is to make it easier for exempt institutions and organizations leasing or subleasing property to take advantage of the underlying tax benefit available under current law.

State Capitol Building
900 Court St NE
Salem, Oregon 97301-1347

Phone (503) 986-1266
Fax (503) 986-1770
https://www.oregonlegislature.gov/lro

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