

# DRAFT

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
79th Oregon Legislative Assembly  
2018 Regular Session  
Legislative Revenue Office

Bill Number: SB 1529 - 5  
Revenue Area: Income Taxes  
Economist: Chris Allanach  
Date: 2/8/2018

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

## Measure Description:

Updates connection date to federal Internal Revenue Code and other provisions of federal tax law. Requires addback of federal dividend related to repatriation.

## Revenue Impact (in \$Millions):

	Biennium		
	2017-19	2019-21	2021-23
Repatriation Revenue	\$160	\$10	\$0
Tax Haven Tax Credit	-\$20	-\$5	0
Other Reconnect Provisions	Minimal	Minimal	Minimal
<b>General Fund Total</b>	<b>\$140</b>	<b>\$5</b>	<b>\$0</b>

## Impact Explanation:

The revenue impact for the repatriation policy is the net impact from the addback. Without the statutory changes in this bill, corporate income tax collections are projected to be down \$100 million in 2017-19 due to the federal repatriation policy. With the statutory change, revenues are projected to be up by \$160 million instead. That means a change of \$260 million in the net position based on the current revenue forecast and the impacts from the federal law change.

Measure includes numerous provisions where Oregon law connects to federal law at a specific point in time (December 31, 2017). Most of these updated connections to federal law connect to definitional provisions that have little to no impact on Oregon. Connection to federal 529 college savings network provisions could impact Oregon revenues, however, as current legal consensus is that Oregon's Constitution may limit full connection to recently expanded provisions in federal law allowing specified withdrawals from 529 accounts for purposes other than post secondary education, impact of connecting to federal 529 statutes is estimated to be minimal.

Creates, Extends, or Expands Tax Expenditure: Yes  No

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The policy purpose of the tax haven tax credit is to recognize the interaction between tax payments required by Oregon's tax haven law and repatriation related tax payments.