

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

**Bill Number:** HB 4028 - 10  
**Revenue Area:** Income Taxes  
**Economist:** Kyle Easton  
**Date:** 2/21/2018

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

**Measure Description:**

Makes available credit against personal or corporate income/excise taxes to taxpayers that make certified weatherization and retrofit affordability contributions to the Weatherization and Retrofit Affordability Fund. Requires Department of Revenue, in cooperation with Housing and Community Services Department, to conduct auction of tax credits. Limits fiscal year certifications of tax credits to no more than \$9 million. Allows unused portion of tax credit to be carried forward up to three succeeding tax years. Applies to tax years beginning on or after January 1, 2018 and before January 1, 2022.

**Revenue Impact (in \$Millions):**

|                     | Fiscal Year |         | Biennium |         |         |
|---------------------|-------------|---------|----------|---------|---------|
|                     |             | 2018-19 | 2017-19  | 2019-21 | 2021-23 |
| <b>General Fund</b> |             | -\$9.0  | -\$9.0   | -\$18.0 | -\$9.0  |

**Impact Explanation:**

Estimate of impact to general fund resulting from allowing credit for certified weatherization and retrofit affordability contributions auctioned by Department of Revenue in cooperation with Housing and Community Services Department, was based upon recent performance of similar tax credit auctions. Estimated impact on revenue assumes full \$9 million worth of credits auctioned, however, it is worth noting that changes to federal tax liability resulting from the recent federal Tax Cuts and Jobs Act along with increased competition among auctioned Oregon credits, could result in less than the full \$9 million credit allowance being sold. Impact also assumes first auction for tax credits takes place beginning with the 2018 calendar year.

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

The policy purpose of the credit for certified weatherization and retrofit affordability contributions is to establish a funding source to be used to support the Weatherization and Retrofit Affordability Fund, thereby expanding support for: energy improvement projects, the development of health evaluation standards in affordable housing, improved methods for preventing or reducing health hazards in affordable housing and the development of objective standards for identifying healthy affordable housing.