

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 4139 - A**

79th Oregon Legislative Assembly – 2018 Regular Session  
Legislative Fiscal Office

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

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**Measure Description:**

Imposes tax on rental price of construction, mining, earthmoving or industrial equipment, together with attachments and other equipment and tools, that is mobile and held primarily for rental.

**Government Unit(s) Affected:**

Counties, Department of Revenue (DOR), Legislative Revenue Office (LRO)

**Analysis:**

This bill imposes a two percent tax on the rental price of heavy equipment at the point of sale. Heavy equipment rental providers will report and submit receipts to the Department of Revenue (DOR) each quarter. After accounting for the administration costs for DOR and the distribution of 2% of receipts to counties without rental locations, the remainder of the funds will be redistributed back out to the counties. This program is designed to replace existing personal property taxes on this equipment.

Department of Revenue

The fiscal impact to the Department of Revenue is indeterminate at this time; however, it is anticipated that the Department will need to make a request to the Emergency Board for position authority and Other Funds limitation later this biennium.

Counties

There is no expenditure impact to counties for this bill. Revenue to the counties will decrease by as much as 5%, depending on the Department of Revenue’s costs to manage the program.