

SB 1528 C STAFF MEASURE SUMMARY

Carrier: Rep. Parrish

House Committee On Revenue

Minority Report

Action Date: 02/28/18

Action: Do pass with amendments to the B-Eng bill. (Printed C-Eng.) Minority

Fiscal: Fiscal impact issued

Revenue: Has minimal revenue impact

Report Signers: Rep. E. Werner Reschke, Rep. Greg Smith

Prepared By: Kyle Easton, Economist

WHAT THE MEASURE DOES:

Updates connection to the Internal Revenue Code and to other provisions in federal tax law from December 31, 2016 to December 31, 2017.

ISSUES DISCUSSED:

- -B18 amendment, full connection to federal internal revenue code
- Types of businesses potentially impacted by Oregon choosing to disconnect from federal deduction recently created as part of federal Tax Cuts and Jobs Act passed in December 2017
- Outcomes supported by Oregon opportunity grant fund
- Brief background on tax credit auctions
- Potential federal tax benefit for taxpayers that purchase auctioned credits
- Potential revenue resulting from amendment proposed increase in cigarette taxes and establishment of tax on inhalant-form nicotine
- Request from Joint Ways and Means for measure if either the -B14 or -B15 amendments are adopted.

EFFECT OF AMENDMENT:

Replaces content of measure.

BACKGROUND:

Oregon has had a continuing connection ("rolling reconnect") to the definition of taxable income since tax year 2011. Other ties to federal tax law must be updated on a regular basis, with December 31st being the usual connection date.