

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
80th Oregon Legislative Assembly
2019 Regular Session
Legislative Revenue Office

Bill Number:	HB 2134
Revenue Area:	Personal Income Tax
Economist:	Kyle Easton
Date:	1/28/2019

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Extends sunset of personal income tax credit for political contributions from January 1, 2020 to January 1, 2026.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2019-20	2020-21	2019-21	2021-23	2023-25
General Fund	0	-\$6.7	-\$6.7	-\$12.7	-\$13.5

Impact Explanation:

Under current law, 2019 is the final tax year in which a political contribution tax credit may be claimed. Credit is equal to no more than \$50 for a single filer or \$100 for a joint income tax filer. Measure extends availability of political contribution tax credit through tax year 2025 causing a decrease in expected General Fund revenue.

Estimate of General Fund revenue loss was made through an analysis of historic usage of political contributions tax credit as reported on personal income tax returns.

Creates, Extends, or Expands Tax Expenditure: Yes No

Previous policy questions explored by past Legislatures in reviewing tax credit modifications and extensions.

- What is the public policy purpose of this credit? Is there an expected timeline for achieving this goal?
- Who (groups of individuals, types of organizations or businesses) directly benefits from this credit? Does this credit target a specific group? If so, is it effectively reaching this group?
- Could this credit be modified to make it more effective and/or efficient? If so, how?

Further Analysis Required

- Is use of a tax credit an effective and efficient way to achieve this policy goal? What are the administrative and compliance costs associated with this credit? Would a direct appropriation achieve the goal of this credit more efficiently?
- What other incentives (including state or local subsidies, federal tax expenditures or subsidies) are available that attempt to achieve a similar policy goal?