

HB 2132 STAFF MEASURE SUMMARY

House Committee On Economic Development

Prepared By: Melissa Leoni, LPRO Analyst

Sub-Referral To: House Committee On Revenue

Meeting Dates: 2/18

WHAT THE MEASURE DOES:

Extends the Oregon Cultural Trust tax credit sunset to January 1, 2026.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Cultural Trust credit provides a credit against personal and corporate income taxes for amounts contributed during the tax year to the Trust for Cultural Development Account established under ORS 359.405. The credit is only allowed to the extent that the taxpayer has contributed an equal amount to an Oregon cultural organization during the tax year. The amount of the credit is equal to the amount of the donation to the Trust for Cultural Development but may not exceed the lesser of the tax liability of the taxpayer or \$500 for personal income taxpayers or \$2,500 for corporate income taxpayers (Legislative Revenue Office Tax Credit Review: 2019 Session).

The Oregon Cultural Trust credit was enacted in 2001 as part of a broader legislative package brought forward at the behest of the Joint Interim Task Force on Cultural Development. The Task Force identified three goals of a new Oregon Cultural Trust and fund: protect and stabilize Oregon's cultural resources, creating a solid foundation for the future; expand public access to and use of Oregon's cultural resources and enhance the quality of those resources; and ensure that Oregon's cultural resources are strong and dynamic contributors to Oregon's communities and quality of life. The Task Force identified tax credits for corporations and individuals and the conversion of existing state assets as the two primary funding sources for the Trust.

The Oregon Cultural Trust tax credit was first extended an additional six years in 2009. That same year the Legislature passed House Bill 2067 to organize active tax credits into three groups for future legislative policy and tax expenditure review. In 2013, House Bill 3367 extended the credit another six years to January 1, 2020, and also required that any tax expenditure enacted after January 1, 2014 apply for a maximum of six years unless the Legislative Assembly expressly provides for another period.

House Bill 2052 extends the Oregon Cultural Trust tax credit sunset for six years to January 1, 2026.