

# Tax Expenditure Policy

## Issues

1. Identification of tax expenditures
2. Impacts of the implicit sunset law
3. Information desired by Legislature

## Potential Law Changes

1. Change the definition of a tax expenditure, as in HB 2128.
2. Change automatic sunset to an explicit sunset process
3. Establish review process for tax expenditures
4. Require legislative intent document -- policy purpose statement

## Review Process

1. Property tax
  - a. 10-year cycle
  - b. Roughly 25 reviewed per biennium
2. Income tax
  - a. 6-year cycle or 10-year cycle
  - b. 35 or 22 reviewed per biennium
  - c. Connection to federal law
3. Other taxes
4. Considerations
  - a. Who conducts the review
  - b. What information is needed
  - c. Work performed by interim committee
  - d. Criteria for identifying analytic groups
5. Other

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

<b>Bill Number:</b>	HB 2128
<b>Revenue Area:</b>	
<b>Economist:</b>	Chris Allanach
<b>Date:</b>	

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

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**Measure Description:**

Modifies definition of "tax expenditure" applicable to automatic tax expenditure sunset provisions by excluding provisions required by federal law.

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

**Impact Explanation:**

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

The policy purpose of this measure is