

**HB 2127 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 4/3

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**WHAT THE MEASURE DOES:**

Extends sunset of Oregon subtraction from taxable income, amount of taxable gain of individual or corporation that sells a manufactured dwelling park to certain entities. Sunset is extended from 1/1/2020 to 1/1/2026.

Extends sunset of exemption from personal or corporate income taxes available to out-of-state emergency service providers operating in Oregon solely for the purposes of performing disaster or emergency related work on critical infrastructure. Sunset is extended from 1/1/2020 to 1/1/2026. Measure takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The Oregon tax subtraction for capital gains from sale of a manufactured dwelling park to certain entities was created in 2005. The intent of the subtraction is to assist with the preservation of manufactured dwelling park communities. The subtraction provides an incentive to sell manufactured dwelling parks to residents and nonprofit entities that are less likely to close the park. Measure extends the sunset of the capital gains tax subtraction from 2020 to 2026.

The Oregon tax exemption available to out-of-state emergency service providers operating in Oregon solely for the purposes of performing disaster or emergency related work on critical infrastructures was created in 2015. The tax exemption exempts individuals and businesses from Oregon corporate or personal income tax liability in specified circumstances. The tax exemption is rarely used but could be of importance if Oregon were to suffer a catastrophic disaster.