

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

Bill Number:	HB 2134 - 1
Revenue Area:	Personal Income Tax
Economist:	Kyle Easton
Date:	4/3/2019

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. Reduces contribution limit for credit qualification purposes to \$50 for taxpayers filing a joint return and \$25 for all other return types.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2019-20	2020-21	2019-21	2021-23	2023-25
General Fund	0	-\$3.3	-\$3.3	-\$6.3	-\$6.7

Impact Explanation:

Under current law, tax year 2019 is the final tax year in which a political contribution tax credit may be claimed. Credit under current law is equal to no more than \$100 for a taxpayer filing a joint return or \$50 for all other return types. Measure extends availability of political contribution tax credit through tax year 2025 and reduces credit limits to \$50 for taxpayers filing a joint return and \$25 for all other return types.

Extending the current law sunset causes a decrease in expected General Fund revenue. Estimates contained in revenue impact table reflect the cost of extending the tax credit sunset with the reduced credit limits.

Estimate of General Fund revenue loss was made through an analysis of historic usage of the political contributions tax credit as reported on personal income tax returns. This preliminary estimate does not account for a potential behavioral response from the credit limit reductions. A full revenue impact statement will be developed for the House Committee on Revenue, to which this measure has a subsequent referral.

Further Analysis Required

Creates, Extends, or Expands Tax Expenditure: Yes No