

HB 2127 -2 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 4/3, 4/18

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:

Concurrent public hearings held for house bills: 2127, 2136 and 2664

- Overview of measures and areas of overlapping content between measures
- Potential to amend measures to incorporate policy changes within a single measure
- Disparate policies contained in house bill 2127
- Capital gains subtraction supports ability of tenants or nonprofit entity to compete for purchase of a manufactured dwelling park
- Overview of how refundable credit interacts with direct payments from park owners to park tenants upon closure of park
- General environment for manufactured dwelling parks in Oregon
- Limited recent development of new parks
- Desirability of manufactured dwelling parks as investments
- Exemption for out-of-state service providers originated from discussion and model legislation prepared in 2011 by the National Conference of State Legislatures (NCSL).

EFFECT OF AMENDMENT:

-2 Replaces content of introduced version. Eliminates 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.

BACKGROUND:

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. The exemption originated from discussions and model legislation prepared in 2011 by the National Conference of State Legislatures (NCSL).

ORS 315.037(3) requires any tax expenditure enacted by the Legislative Assembly that does not specifically include an applicable sunset date to apply for a maximum of six tax years beginning with the initial tax year for which the tax expenditure is applicable.