

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

Bill Number: HB 2132 - 1
Revenue Area: Income Taxes
Economist: Kyle Easton
Date: 4/19/2019

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

Measure Description:

Extends sunset for tax credit for contributions to Trust for Cultural Development Account from January 1, 2020 to January 1, 2026. Clarifies that personal income tax credit limits are equal to the lesser of the tax liability of the taxpayer or \$1,000 for a taxpayer filing a joint return or \$500 for a taxpayer filing any other type of return.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2019-20	2020-21	2019-21	2021-23	2023-25
General Fund	0	-4.2	-4.2	-8.6	-9.0

Impact Explanation:

Extending the sunset of the income tax credit available to individuals and corporations making contributions to the Trust for Cultural Development is expected to decrease general fund revenue by \$4.2 million in the 2019-21 biennium. The reduction in revenue for the 2021-23 biennium is estimated to be \$8.6 million, reflective of the credit sunset extension being applicable to the entire biennium not just half the biennium as in 2019-21.

The revenue estimate was made based on an analysis of past credit usage as reported on personal and corporate income tax returns. Estimate also includes expectation of slower growth in use of credit following recent federal tax law changes and a 2018 IRS proposed regulation relating to the interaction of charitable donations and state tax credits offsetting such donations.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to protect and stabilize Oregon’s cultural resources by creating a solid foundation for the future through the leveraging of private sector support from both individuals and businesses.