

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: HB 2978 - 5

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

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Measure Description:

Creates tax credit for short line railroad rehabilitation projects.

Government Unit(s) Affected:

Oregon Department of Transportation (ODOT), Department of Revenue (DOR)

Analysis:

This fiscal impact statement is submitted to transmit the measure from the House Committee on Revenue to the Joint Committee on Tax Expenditures.

The measure would create a tax credit for owners or lessees of short line railroads that complete a certified short line railroad rehabilitation project in Oregon. The credit would equal the least of \$1,000 multiplied by the number of miles or short line railroad track that the taxpayer owns or leases in Oregon, \$3,500 multiplied by the number of miles or short line railroad track that the taxpayer owns or leases in Oregon, or fifty percent (50%) of the certified short line railroad rehabilitation project costs, though not to exceed the taxpayer’s tax liability for any one tax year. The measure would allow the taxpayer to transfer the credit in certain circumstances and allow any unused credit to be carried forward up to five successive tax years. The Oregon Department of Transportation, as prescribed by the Department of Revenue, would oversee certification of the tax credit. The total amount of potential tax credits would not exceed \$4 million for any biennium. The credit would apply to tax years beginning on or after January 1, 2020 and before January 1, 2026, unless it is carried forward in used a succeeding tax year. The measure would take effect 91 days after the Legislative Assembly adjourns *sine die*.

The measure is anticipated to have an impact on Oregon Department of Transportation and the Department of Revenue.

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the Joint Committee on Tax Expenditures.

Further Analysis Required