

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

Bill Number:	HB 2130 5
Revenue Area:	Property Tax
Economist:	Jaime McGovern
Date:	06/12/2019

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Extends sunset on four distinct property tax exemptions. Provides sunset for property tax exemption on land held by non-profit for low income housing to property tax year beginning 2025. Extends sunset on property tax exemption for cargo containers to 2026. Extends sunset of homestead property tax exemption for surviving spouse of fallen public safety officer to 2025. Extends 130% central assessment cap to 2025.

Revenue Impact (in Millions \$)

	Biennium		
	2019-21	2021-23	2023-25
130% cap on intangible assets	0	-1.40	-3.00
Land held for low income housing	0	<-0.2	<-0.2
Cargo Containers	0	<-0.1	<-0.1
Homestead Fallen Officers Spouses	0	<-0.1	<-0.1

Impact Explanation:

Intangible 130% central assessment cap: This caps the intangible taxable value for centrally assessed companies under OR 308.515. The tax expenditure is generated from the reduction in taxable value from data and communication companies with large intangible assets. The property tax revenue allocated to schools in the first biennium is reduced by approximately \$1 million and the reduction to the local governments is approximately \$1.5 million. The table above reflects that the first year of impact is the 2022-2023 tax year.

Land held by non-profit for low income housing: The tax expenditure for this program is minimal. Although it is not permissive, it only applies to bare land, and therefore has not historically created a revenue impact greater than \$200,000 per biennium.

Cargo containers: The tax expenditure for this program is minimal. Although it is not permissive, it has only created an exemption historically of less than \$100,000 per biennium.

Homestead for spouses of fallen public safety officers: The impact is minimal. As it is permissive, it has only been employed to create historically a revenue impact of less than \$100,000 per biennium.

Creates, Extends, or Expands Tax Expenditure: Yes No

Intangible 130% central assessment cap: The policy purpose of this measure is to provide some certainty in intangible property taxation.

Land held by non-profit for low income housing: The policy purpose of this measure is to assist in providing housing equity throughout the state and reduce homelessness.

Cargo containers: The policy purpose is to assist Oregon shipping companies in competing in a global market.

Homestead for spouses of fallen public safety officers: The policy purpose is to allow local government to help ease the burden on families that survive public servants who have fallen in the line of duty.