

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

<b>Bill Number:</b>	<b>SB 194</b>
<b>Revenue Area:</b>	<b>Personal/Corporate Income Taxes</b>
<b>Economist:</b>	<b>Kyle Easton</b>
<b>Date:</b>	<b>1/20/2019</b>

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

**Measure Description:**

Requires addition, in determination of Oregon taxable income, amount of losses from wagering transactions deducted on a taxpayer's federal return. Applies to tax years beginning on or after January 1, 2019.

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2019-20	2020-21	2019-21	2021-23	2023-25
<b>General Fund</b>	\$5.7	\$5.8	\$11.5	\$11.8	\$12.2

**Impact Explanation:**

The wagering transactions loss deduction is a federal deduction that Oregon is connected to through Oregon's connection to federal taxable income. An increase in revenue results as measure disconnects from the federal deduction by requiring an addition to Oregon taxable income equal to losses deducted on taxpayer's federal return.

Eliminating the gambling loss deduction for Oregon income tax filers is expected to increase revenue to the general fund by \$11.5 million in the 2019-21 biennium. The expected increase in revenue is a result of reducing the amount of other miscellaneous itemized deductions, of which, gambling losses are one of several possible other miscellaneous itemized deductions. Tax filers using the standard deduction are unaffected as the gambling loss deduction is an itemized deduction. Professional gamblers may deduct gambling losses, up to gambling winnings, without itemizing by deducting losses through their gambling trade or business. Nearly all the expected increase in revenue originates from about 10,000 non-professional gambler personal income tax returns that will no longer be able to deduct gambling losses.

The estimate was made through an analysis of various tax forms and schedules where affected gambling winnings and losses, through deductions or expenses, were reported as required.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No