

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

<b>Bill Number:</b>	<b>HB 2131</b>
<b>Revenue Area:</b>	<b>Personal Income Tax</b>
<b>Economist:</b>	<b>Kyle Easton</b>
<b>Date:</b>	<b>3/18/2019</b>

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

**Measure Description:**

For purposes of working family household and dependent care expenses credit, eliminates employment-related expenses limit of not more than amount of earned income taxable by Oregon and earned by either spouse. Applies to tax years beginning on or after January 1, 2018.

For tax years 2019 through 2021, allows an additional personal exemption credit for a taxpayer with a spouse that has a severe disability, if a separate return is made by the taxpayer and the spouse has no gross income and is not a dependent of another taxpayer.

**Revenue Impact:**

**Working Family Household and Dependent Care Expenses:** See impact explanation

**Additional personal exemption credit for spouse of person with severe disability:** Minimal

**Impact Explanation:**

Eliminating the employment-related expenses limit of earned income by either spouse will result in an increased credit amount for some jointly filed tax returns. Reduction in revenue resulting from elimination of limit is estimated at about \$1.0 million per tax year. As changes are retroactive to tax year 2018, taxpayers will need to file amended 2018 returns in order to benefit from retroactive tax year 2018 change.

This measure has a subsequent referral to the House Revenue Committee, a more complete revenue impact statement will be developed for that committee.

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

Further Analysis Required