

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

Bill Number:	SB 1051 - A
Revenue Area:	Emission Allowances
Economist:	Mazen Malik
Date:	05-31-2019

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Establishes, if House Bill 2020 becomes law, credit available to eligible persons for purpose of mitigating carbon price indirectly paid through purchase of fuel to propel eligible motor vehicles on public highways.

Revenue Impact (in \$Millions):

If HB 2020 passes, then the transfers mandated by the measure are off the top of the collection streams before any other distribution occurs.

	2021-2023	2023-2025	2025-2027
Refund Program receives transfers from Climate Investment Fund (CIF) & Transportation Decarbonization Investments Fund (TDF)			
Farm & Forest Climate Action Reimbursement Fund (CIF)	\$12.9	\$16.3	\$20.4
Farm & Forest Climate Action Reimbursement Fund (TDF)	\$6.92	\$8.76	\$10.95
Farm & Forest Climate Action Reimbursement Fund Total Transfer	\$19.78	\$25.05	\$31.31
Income Tax Credit Program receives revenue transfers from Transportation Decarbonization Investments Fund (TDF)			
Transfer to Climate Action Reimbursement Fund	\$282.1	\$357.2	\$446.5

The positive revenue transfers into the funds above will be negative transfers from the CIF, and TDF.

Impact Explanation:

The measure establishes precipitate income credit through the income tax system, and a refund for farming and forest products. The credit is processed through the Climate Action Reimbursement Fund (CARF), which is

funded from 30% revenue transfer from the Transportation Decarbonization Investments Fund (TDF). The CARF is continuously appropriated to DOR to issue credits to individuals through the personal income tax return beginning on or after January 1, 2021. The credits are based on the annual estimate for each county of: the median vehicle miles travelled for the county; median number of gallons of fuel used travelling the median vehicle miles for the county; and the per-gallon carbon price. The per capita estimates (single and double for joint filers).

The Farm and Forest products refund is performed through a separate refund account and is administered by ODOT. The refund is equal to the number of gallons of fuel used per year in farm and forest activities multiplied by the statewide per-gallon carbon price. The fuel that is used on public roads will be refunded from the TDF, while fuel not used in manner that constitutionally restricted the highway fund, will be refunded from the Climate Investment Fund (CIF).

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is mitigating the carbon price indirectly paid through purchase of fuel to propel an eligible motor vehicle, and a refund available to certain persons for mitigating the carbon price indirectly paid through the purchase of fuel for certain farming and forestry activities.