

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
81st Oregon Legislative Assembly
2021 Regular Session
Legislative Revenue Office

Bill Number:	HB 2607
Revenue Area:	Construction Tax
Economist:	Dae Baek
Date:	03/08/2021

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

Measure Description:

Exempts from construction taxes, residential housing being constructed to replace residential housing on the lot or parcel of land that was destroyed or damaged by wildfire or another specified emergency event or circumstance. Applies to residential housing damaged or destroyed on or after January 1, 2020. Takes effect on the 91st day following adjournment sine die.

Revenue Impact: Indeterminate

Impact Explanation:

According to the Oregon Department of Education, 64 school districts imposed a total of \$26 million construction taxes in the school year 2018-19. School districts may use construction tax proceeds only for capital improvements.

If not for wildfire or another specified events, there would not be new residential rebuilding activity on the lot or parcel of land that was destroyed or damaged. It is not known how many units would be rebuilt, if at all, which leads to indeterminate revenue impact.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to alleviate financial burden in rebuilding residential housing on the lot or parcel of land that was destroyed or damaged by wildfire or another specified emergency event or circumstance.