

Joint Committee on Tax Expenditures

May 26, 2021

State of Oregon

LEGISLATIVE REVENUE OFFICE





Purpose and Process

Establish a Ways & Means-like budget review process for tax expenditures

House

- 16 Extension Bills
- Policy Committees

Senate

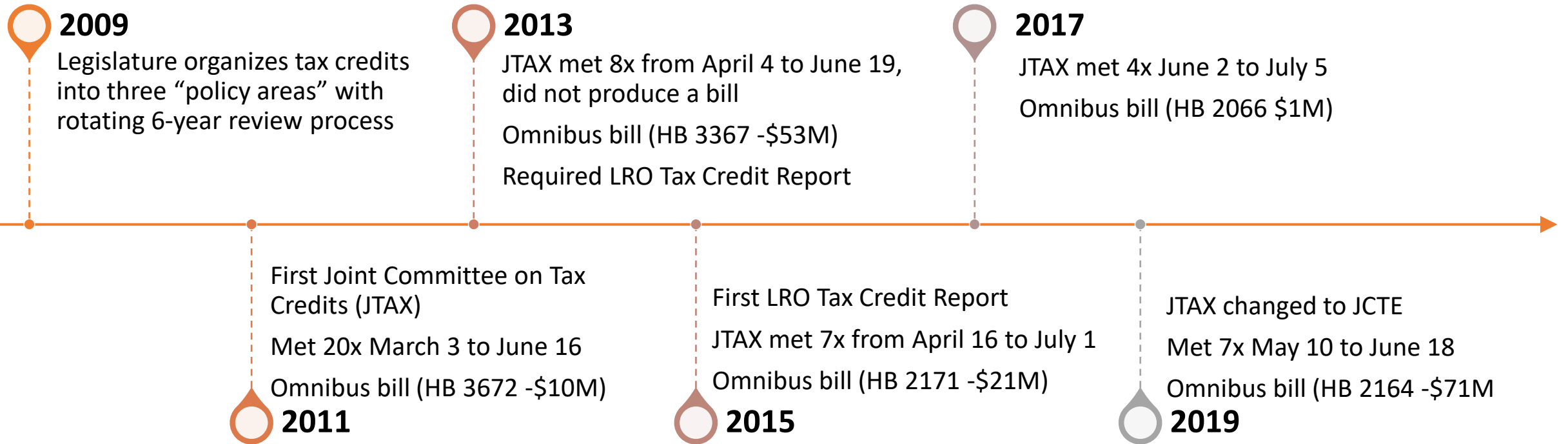
- 16 Extension Bills
- Policy Committees

Joint Committee on
Tax Expenditures:
\$Budget





A Brief Historical Overview





2009 Legislature Sets Up Review Process (51 tax credits)

(21 credits) 2011 : 2017

Environment / Agriculture / Business	
1.414	Film Production Development Contributions
1.415	Qualified Research Activities
1.416	Qualified Research Activities (Alternative)
1.417	Long-term Rural Enterprise Zone (Income Tax)
1.419	Electronic Commerce Enterprise Zone (Income Tax)
1.420	Water Transit Vessel Manufacturing
1.435	Crop Gleaning
1.438	Riparian Lands Removed from Farm Production
1.442	Diesel Truck Engines (New)
1.443	Diesel Truck Engines (Retrofit and Repower)
1.444	Fish Screening Devices
1.445	Alternative Energy Devices (Residential)
1.446	Alternative Fuel Stations
1.447	Business Energy Facilities
1.448	Energy Conservation Lender's Credit
1.450	Biofuel Consumer Credit
1.451	Biodiesel Used in Home Heating
1.452	Production or Collection of Biomass
1.453	Reforestation
1.456	Fire Insurance
1.457	Workers' Compensation Assessments

(14 credits) 2013 : 2019

Community Services / Education / Housing	
1.418	Reservation Enterprise Zone (Income Tax)
1.401	Youth Apprenticeship Sponsorship
1.402	Contributions of Computer Equipment
1.403	Employer Provided Scholarships
1.404	Earned Income Credit
1.406	Rural Medical Practice
1.407	Volunteer Rural Emergency Medical Technicians
1.429	Farmworker Housing Construction
1.430	Farmworker Housing Lender's Credit
1.431	Oregon Affordable Housing Lender's Credit
1.434	Mobile Home Park Closure
1.459	Political Contributions
1.461	Oregon Cultural Trust
1.462	Retirement Income

(16 credits) 2015 : 2021

Family / Child Care / Medical	
1.408	Costs in-lieu of Nursing Home Care
1.409	Long-Term Care Insurance
1.410	Disabled Child
1.411	Elderly or Permanently Disabled
1.412	Loss of Limbs
1.413	Severe Disability
1.421	Public University Venture Development Fund
1.423	Child and Dependent Care
1.424	Working Family Child Care
1.425	Employer Provided Dependent Care Assistance
1.428	Child Care Division Contributions
1.432	Individual Development Account Contribution (Credit)
1.433	Individual Development Account Withdrawal (Credit)
1.458	Oregon Life and Health IGA Assessments
1.463	TRICARE Health Care Providers
1.464	Oregon Veterans' Home Physician

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2021 Income Tax Credits: 11 Extenders

Senate Bill	House Bill	Policy	Committee (S/H)
SB 147	HB 2439	Office of Child Care	Education / Early Childhood
SB 146	HB 2440 ¹	Working Family Dependent Care	Human Svcs / Human Svcs
SB 145	HB 2441	Public University Development Fund	Education / Education
SB 144	HB 2442	Severe Disability	Human Svcs / Human Svcs
SB 143	HB 2443	Rural Medical Providers	Health Care / Health Care
SB 142	HB 2444	Child with a Disability	Human Svcs / Human Svcs
SB 152	HB 2450	Employee Training Programs	Labor & Bus / Econ Recovery
SB 151	HB 2451	Bovine Manure for Biofuel	Nat Resources / Ag & Nat Res
SB 150	HB 2452	Oregon Veterans' Home	Vet & Em Prep / Vet & Em Mng
SB 149	HB 2453	Oregon Life & Health Insurance Assessment	Fin & Rev / Revenue
SB 148 ²	HB 2551 ³	IDA Contributions	Hous & Dev / (Human Svcs)

¹ HB 2721 modifies the WFDC policy; ² In Ways & Means; ³ Expected to be in JCTE





2021 Income Tax Expenditures: 8 Others

Senate Bill	House Bill	Policy	Committee (S/H)
Existing Tax Credits			
	HB 2819 ⁴	Earned Income Tax Credit	Revenue
	HB 2096	Agriculture Worker Housing	Housing
	HB 2584	Affordable Housing Lender	Housing
SB 43	HB 3244	Film & Video	Finance & Rev / Revenue
New Tax Expenditures			
SB 330		Landlord Forgiven Rent	Housing and Development
	HB 3364	Publicly Supported Housing	Revenue
	HB 3302 ⁴	Workforce Training Organizations	Revenue
	HB 2737	AmeriCorps (income tax subtraction)	Revenue

⁴ Expected to be in JCTE





Property Tax, Marijuana, and TLT

Senate Bill	House Bill	Policy	Committee (S/H)
SB 155	HB 2446	Low Income Housing – Property Tax	House & Dev / Housing
SB 154	HB 2448	Solar Projects – Property Tax	Energy & Env / Energy & Env
SB 157	HB 2445	Medical Marijuana – Retail Marijuana Tax	Health Care / Gen Govern
SB 102		Military Lodging – Transient Lodging Tax	Vet & Emergency Prepare

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Explicit vs Implicit Sunsets

Explicit

- A specific end date for the policy is found in statute
- Deliberate legislative debate on the policy
- Specific goal of including the policy in a regular review process

Implicit

- Statute does not contain a specific date
- Conclusions about policy intent are inferred
- Discussion regarding applicability of ORS 315.037: is it a tax expenditure?

[Legislative Revenue Office report on this issue](#)

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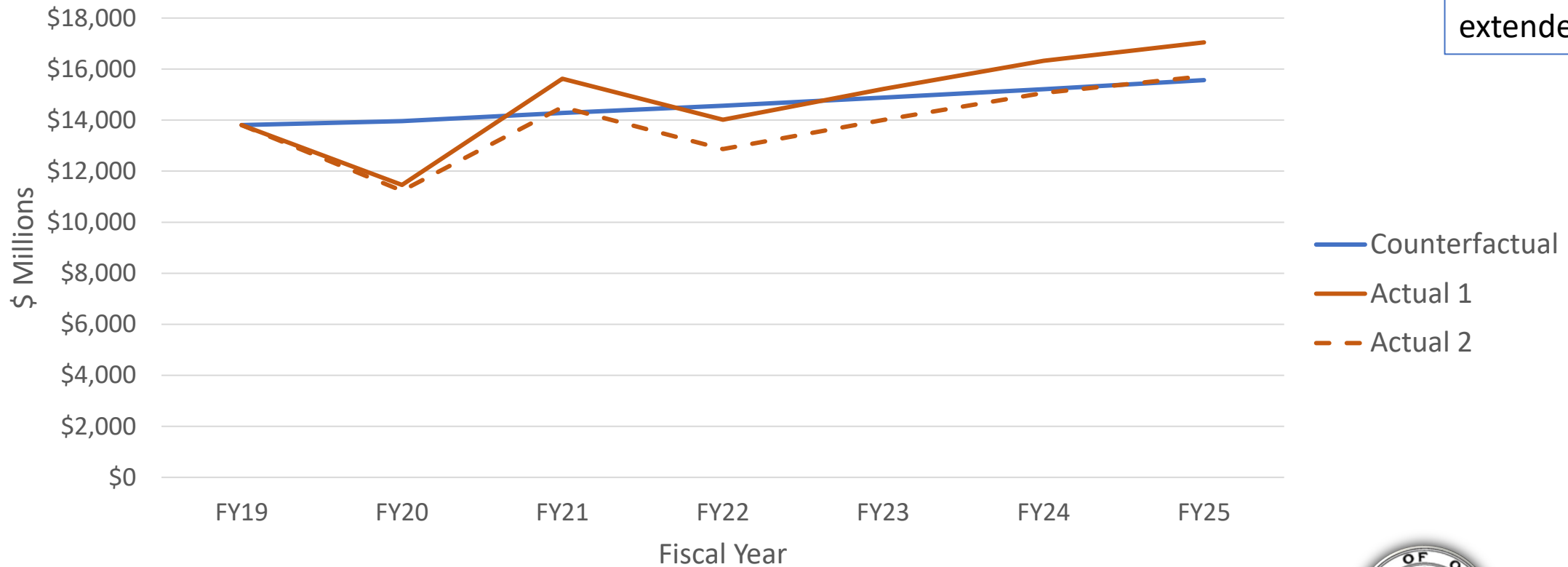
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TE Budget and ARPA Restrictions

Hypothetical General Tax Collections



2021-23 cost of 11 extenders: \$53.6M





Reference Materials

LRO Reports

[LRO Reports, Main Page](#)

[Tax Credit Review: 2015 Session](#)

[Tax Credit Review: 2017 Session](#)

[Tax Credit Review: 2019 Session](#)

[Tax Credit Review: 2021 Session](#)

DOR Tax Expenditure Report

[Oregon Tax Expenditure Reports, Main Page](#)

[Oregon 2021-23 Tax Expenditure Report](#)

[Identifying Tax Expenditures](#)

[Subject Area Descriptions](#)



For More Information

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