

FISCAL IMPACT OF PROPOSED LEGISLATION81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office**Measure: HB 3302 - A <REVISED>*****Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Michael Graham
Reviewed by: Zane Potter, John Borden
Date: June 4, 2021**Measure Description:**

Creates a personal income or corporate excise tax credit for cash contributions to workforce training organizations, limited to \$250 per individual and \$2,500 for corporations.

Government Unit(s) Affected:

Department of Justice (DOJ), Department of Revenue (DOR), Oregon Judicial Department (OJD)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:**Department of Justice**

General Fund	2021-23 Biennium	2023-25 Biennium
Personal Services	\$1,177,650	\$652,690
Services and Supplies	351,833	199,207
Total Funds	\$1,529,483	\$851,897
Positions	6	5
FTE	5.25	2.75

Analysis:**<REVISED FISCAL IMPACT STATEMENT>**

House Bill 3302, A-engrossed, creates a personal income or corporate excise tax credit for cash contributions to workforce training organizations, limited to \$250 per individual and \$2,500 for corporations. The measure changes the definition of “workforce training organization” and reduces the qualifying contribution by the amount of the corresponding charitable deduction claimed. The Department of Justice (DOJ) must provide credit certification to qualifying taxpayers. The measure takes effect 91 days after adjournment *sine die* and applies to tax years beginning on or after January 1, 2021 and before January 1, 2031.

Department of Justice

The measure would have a fiscal impact on DOJ. The Civil Enforcement Division (CED) would need to certify the eligibility of taxpayers for the credit and to provide a certificate of eligibility to taxpayers. This would substantially increase the number of persons that CED would interact with and gather information from, including collecting taxpayers’ social security numbers as part of the application process. CED anticipates needing to develop a secure online portal to process potentially thousands of applications. To implement this application process and develop this online portal, CED anticipates needing six additional staff (5.25 FTE) in the 2021-23 biennium, including a permanent senior Assistant Attorney General, a permanent Administrative Specialist 2, a permanent Operations and Policy Analyst (OPA) 2, a permanent Information Systems Specialist (ISS) 6, a permanent ISS 7 and a limited duration ISS 7. Once the program is established, the OPA 2, ISS 6, and ISS 7 positions would become part-time positions, totaling five positions (2.75 FTE) in the 2023-25 biennium. The total fiscal impact to DOJ to hire these additional staff, including related services and supplies associated with developing the secure online portal, is \$1,529,483 General Fund in 2021-23 and \$851,897 General Fund in 2023-25.

Department of Revenue

The measure would have a minimal fiscal impact on the Department of Revenue.

Oregon Judicial Department

The measure would have a minimal fiscal impact on the Oregon Judicial Department.