

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

**Bill Number:** SB 149  
**Revenue Area:** Corporate Excise Tax  
**Economist:** Kyle Easton  
**Date:** 3/1/2021

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

**Measure Description:**

Extends sunset from January 1, 2022 to January 1, 2028, of tax credit against corporate excise taxes for certain assessments paid to the Oregon Life and Health Insurance Guaranty Association.

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2021-22	2022-23	2021-23	2023-25	2025-27
<b>General Fund</b>		-\$0.7	-\$0.7	-\$0.9	-\$0.5

**Impact Explanation:**

Use of this credit depends on class B assessments levied for insurers that have become insolvent. Historically, this credit is rarely used as insolvencies occur infrequently.

In March of 2017, Penn Treaty Network America was placed in liquidation resulting in multiple class B assessments being levied and subsequent tax credits being claimed. Tax credit is equal to assessment amount but is required to be taken over five consecutive years in amounts equal to twenty percent of the assessment. This allows for taxpayer to potentially claim as a credit, the full amount of the assessment if the taxpayer has sufficient tax liability to claim the credit in each of the five years.

Current and upcoming biennial revenue impact estimates are based on the Penn Treaty assessments and the historical average use of the credit.

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

The policy purpose of this credit is to offset the cost of insurance guarantee assessments with General Fund resources.

*Further Analysis Required*