

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
82nd Oregon Legislative Assembly  
2023 Regular Session  
Legislative Revenue Office

**Bill Number:** SB 131  
**Revenue Area:** Income Taxes  
**Economist:** Kyle Easton  
**Date:** 2/14/2023

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

**Measure Description:**

Extends sunset of tax credit for affordable housing lenders from January 1, 2026 to January 1, 2030.

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

	Biennium		
	2023-25	2025-27	2027-29
General Fund	\$0.0	-\$0.8	-\$4.1

**Impact Explanation:**

Under current law, the Housing and Community Services Department may not issue a certificate for initial qualification for the affordable housing lenders tax credit on or after January 1, 2026. Certification is necessary to initially qualify for the tax credit though previously qualified loans can continue to receive the credit after the sunset date so long as such loans and related housing continue to meet ongoing requirements.

Measure extends sunset date for receiving initial certification from January 1, 2026 to January 1, 2030. As the existing sunset date occurs within the 2025-27 biennium, no impact exists for the 2023-25 biennium. Estimated loss in revenue increases in the 2027-29 biennium reflective of more loans being initially qualified following the January 1, 2026 sunset date and the structure of the tax credit which allows the credit to be taken over a 20 or 30 year period. Estimate was based on a historical analysis of the tax credit and a projection of future qualification for such affordable housing.

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

The policy purpose of this credit is to support the development of housing affordable to households with incomes up to 80 percent of area median income, the preservation of housing with federal rent subsidy contracts, and the preservation of manufactured dwelling parks.

Further Analysis Required