

HB 2093 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 3/28, 4/4

WHAT THE MEASURE DOES:

Aligns applicability period for statutory provisions of tax credit for certified film production development contributions with sunset of tax credit. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Recent history of tax credit auction changes
- IRS rule changes and resulting impact on auction bids for tax credits
- Value of a 95% price floor compared to 90%
- Measure in revenue committee rather than Joint Committee on Tax Expenditures.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2019, the Oregon Legislature enacted SB 459 which decreased the reserve bid amount for tax credit auctions related to the film production development contributions tax credit and Opportunity Grant contributions credit. Additionally, SB 459 modified when tax credit auctions for the respective credits could be held. These changes were applicable to tax years 2019 through 2023. In 2021, the Oregon Legislature enacted HB 2456 which modified the timing of when a taxpayer could potentially claim a tax credit purchased at auction. HB 2456 modifications were made applicable to tax years 2021 through 2023. Also in 2021, the Oregon Legislature enacted HB 2433 which extended the tax credit sunset for the film production development contributions tax credit from 2024 to 2030 and increased the fiscal year credit auction limit from \$14 million to \$20 million. While the film production development contributions credit sunset was extended to 2030, the statutory provisions of the credit enacted by SB 459 (2019) and HB 2456 (2021) are only applicable through tax year 2023. This measure modifies Oregon law to align the aforementioned changes with the film production development contributions credit's existing law sunset of 2030.