

## SB 129 A STAFF MEASURE SUMMARY

### Senate Committee On Education

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**Action Date:** 02/28/23

**Action:** Do pass with amendments. Refer to Finance and Revenue then to Ways and Means by prior reference. (Printed A-Eng.)

**Vote:** 6-0-1-0

**Yeas:** 6 - Anderson, Dembrow, Frederick, Gelser Blouin, President Wagner, Weber

**Exc:** 1 - Robinson

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

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**Meeting Dates:** 2/9, 2/28

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#### WHAT THE MEASURE DOES:

Sunset Opportunity Grant Fund tax credit auction as of January 1, 2023. Allows credits that were purchased at auction between January 1 and March 1, 2023 to be claimed for 2023 tax year. Takes effect on 91st day following adjournment sine die.

#### ISSUES DISCUSSED:

- Changes at federal level on limits to the deductibility of tax credits
- Alternate funding sources for Opportunity Grant Fund

#### EFFECT OF AMENDMENT:

Replaces the measure.

#### BACKGROUND:

The Oregon Opportunity Grant is the state's largest financial aid program, administered by the Higher Education Coordinating Commission.

Senate Bill 129 A applies to three statutes relating to tax credit contributions to the Opportunity Grant Fund. ORS 315.643 establishes a tax credit for certified contributions made by taxpayers to the Opportunity Grant Fund and directs the Department of Revenue to conduct an auction of such tax credits. ORS 315.646 creates a process by which the Legislative Assembly may fund the Opportunity Grant Fund in lieu of the tax credits that would be certified for the upcoming fiscal year. ORS 348.267 permits the Higher Education Coordinating Commission to hire or contract for the marketing of the Opportunity Grant tax credit.

According to the Legislative Revenue Office, a maximum of \$14 million in credits is sold at auction per fiscal year. Due to changes to federal rule made by the Internal Revenue Service, net proceeds of auctions since 2019 have fallen below the cost of the tax credits.

Senate Bill 129 A sets a sunset date of January 1, 2023 for the Opportunity Grant Fund tax credit contribution auction, and creates an exemption to allow tax credits auctioned between January 1 and March 1, 2023 to be applied to the 2023 tax year.