

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
83rd Oregon Legislative Assembly
2025 Regular Session
Legislative Revenue Office

Bill Number:	HB 2092 - 6
Revenue Area:	Income Taxes
Economist:	Kyle Easton
Date:	3/11/2025

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

Measure Description:

Updates connection date to federal Internal Revenue Code and other provisions of federal law by one year. For provisions unrelated to taxable income, updates connection date to December 31, 2024, or January 1, 2025. For tax years beginning on or after January 1, 2025, and before January 1, 2026, suspends continuous connection to the federal definition of taxable income. Sets tax year 2025 taxable income connection to federal law as in effect on December 31, 2024. Restores continuous connection to federal definition of taxable income for tax years beginning on or after January 1, 2026.

Revenue Impact:

Minimal, see impact explanation.

Impact Explanation:

Maintaining continuous connection between Oregon and federal income taxes provides continuity between the respective tax systems. Connection causes Oregon to automatically incorporate federal income tax law changes to taxable income. While potential federal law change is omnipresent, considerable uncertainty currently exists as multiple significant federal personal income tax provisions are scheduled to expire at the end of 2025. Oregon's baseline revenue forecast prepared by the Office of Economic Analysis assumes these federal provisions will be continued without any other policy changes.

Under current law and the baseline revenue forecast, no immediate impact on revenue occurs from Oregon's tax year 2025 connection to federal taxable income as of 12/31/2024. Due to Oregon's one year suspension of continuous connection to federal taxable income, if federal tax law relating to taxable income is modified in 2025 and affects tax year 2025, such federal change will not automatically flow through to Oregon income tax law for tax year 2025. Restoring Oregon's continuous connection to federal taxable income causes Oregon to automatically incorporate federal law changes affecting tax years beginning on or after January 1, 2026.

Creates, Extends, or Expands Tax Expenditure: Yes No