74TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE

MEASURE: SB 635-A
CARRIER: Sen. Metsger

REVENUE: No Revenue Impact
FISCAL: No Fiscal Impact

Action:		Do pass with amendments and be printed engrossed
Vote:		4-0-1
	Yeas:	Burdick, G. George, Monroe, Deckert
	Nays:	
	Exc.:	Starr
Prepared By:		Chris Allanach, Economist
Meeting Dates:		4/2, 6/19

WHAT THE BILL DOES: Changes the maximum reimbursement for a single film or television series to the sum of 10 percent of employee compensation for work done in Oregon and 20 percent of all other expenses paid in Oregon. Applies to films starting principal photography on or after January 1, 2007.

ISSUES DISCUSSED:
- Value of production incentives
- Oregon incentives compared to those of other states
- ECONorthwest study of economic impact of film production in Oregon

EFFECT OF COMMITTEE AMENDMENTS: Removes changes to the credit limit. Modifies the reimbursement calculation.

BACKGROUND: The Oregon Production Investment Fund and related income tax credit were created by the 2003 Legislature (HB 2747). The Oregon Film and Video Office adopts rules and certifies the tax credits. The amount of the tax credit is such that any contribution to the Fund equals at least 90 percent of the tax credit received. The rules adopted should achieve the following goals: (1) generate contributions for which $1 million in tax credits are certified each fiscal year, (2) maximize the income and excise tax revenues available to Oregon for state operations, and (3) provide the necessary financial incentives for taxpayers to make contributions to the Fund. The tax credit is nonrefundable, may be carried forward for up to three years, and is transferable to another taxpayer. In tax year 2005, roughly 25 taxpayers claimed a total of nearly $1 million in credits (an average of $40,000 per filer).