

**75TH OREGON LEGISLATIVE ASSEMBLY 2009 Regular Session
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE**

**MEASURE: SB 40
CARRIER: Sen. Burdick**

**REVENUE: No revenue impact
FISCAL: Minimal fiscal impact**

Action: Do Pass
Vote: 4-0-1
Yeas: Hass, Rosenbaum, Telfer, Burdick
Nays: 0
Exc.: Morse
Prepared By: Chris Allanach, Economist
Meeting Dates: 2/10, 2/19

WHAT THE BILL DOES: Requires surplus revenue refunds to be calculated after allowance of the credit for taxes imposed by another state.

ISSUES DISCUSSED:

- Impact on kicker recipients
- Technical aspects of kicker calculation

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND: Prior to 2007, surplus refunds or credits were based on the after-credit tax liability of the taxpayer. In 2007, SB 819 changed the calculation to a before-credit basis in response to concerns that kicker refunds/credits could reduce the efficacy of other tax credits as policy tools. When calculated on an after-credit basis, kicker refunds/credits would reduce the value of other credits through the reduction in after-credit tax liability. When calculated on a before-credit basis, the value of other credits is unaffected by kicker refunds/credits.

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