

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Sixth Oregon Legislative
Assembly
2011 Regular Session
Legislative Revenue Office

Bill Number: SB 315 - A
Revenue Area: Income Taxes
Economist: Chris Allanach
Date: 4/26/2011

Measure Description: Adjusts the sunset date for the tax credit for qualified research activities from January 1, 2012 to January 1, 2018.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2011-12	2012-13	2011-13	2013-2015	2015-2017
General Fund	\$0	-\$1.9	-\$1.9	-\$7.4	-\$12.1

Impact Explanation: The preliminary revenue impact is based on the historical use of the tax credit. Since 2005, roughly 200 taxpayers have claimed the credit each tax year. The credit is equal to five percent of research expenses exceeding a base amount, up to \$2 million, per year. An alternative structure for the credit is based on expenses that exceed 10 percent of Oregon sales. Further analysis will be done when the bill is in the Joint Committee on Tax Credits.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is
(to be completed by the Senate Committee on Business, Transportation and Economic Development)