

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

Bill Number: SB 688 - A
Revenue Area: Income Taxes
Economist: Chris Allanach
Date: 4/26/2011

Measure Description: Extends the sunset dates for three tax credits from January 1, 2012 to January 1, 2018. Applies to the tax credit for the use of biofuel and fuel blends, the tax credit for the use of biodiesel in home heating and the residential energy tax credit, excluding alternative fuel vehicles and related equipment. Limits total annual credits to an amount that is currently blank. States that a residential energy tax credit may only be issued if the device exceeds all applicable federal, state, and local mandates for energy efficiency. Expands the residential energy tax credit to include whole house air-to-air heat pumps and hydronic air handlers. Specifies that the Department of Energy must consider evolving market condition when prescribing minimum performance criteria for the tax credits. Expands the list of ineligible items to include appliances, furnaces with electrically commutated motors with an efficiency rating of 94 percent or less, air conditioning systems, and boilers. Tax credit changes apply to certifications issued and tax years beginning on or after January 1, 2012.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2011-12	2012-13	2011-13	2013-2015	2015-2017
Biofuel Credit	\$0	-\$0.3	-\$0.3	-\$0.7	-\$0.7
Home Heating Credit	\$0	-\$0.3	-\$0.3	-\$0.7	-\$0.7
Residential Energy Credit	\$0	-\$6.8	-\$6.8	-\$18.5	-\$23.9
General Fund	\$0	-\$7.4	-\$7.4	-\$19.9	-\$25.3

Impact Explanation: The preliminary revenue loss is based on the historical use of the tax credits and does not include the modifications made to the residential energy tax credit, except for the elimination of appliances. 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 assist taxpayers to save energy and produce clean energy; and to attain environmental, economic, and job creation benefits for this state beyond those possible through incentives that are directed to utilities and that are appropriately measured by cost-effectiveness.

(Completed by the Senate Committee on the Environment and Natural Resources)