

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
80th Oregon Legislative Assembly
2019 Regular Session
Legislative Revenue Office

Bill Number:	SB 203
Revenue Area:	Personal Income Tax
Economist:	Kyle Easton
Date:	3/6/2019

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Extends sunset for Oregon earned income tax credit from 1/1/2020 to 1/1/2026.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2019-20	2020-21	2019-21	2021-23	2023-25
General Fund	0	-54.2	-54.2	-113.3	-120.0

Impact Explanation:

Under existing law, Oregon’s earned income tax credit will sunset on January 1, 2020. Measure extends Oregon’s earned income tax credit for six years. The six-year extension of the sunset is expected to reduce general fund revenue in amount displayed in revenue impact table.

Estimate of revenue impact was made through an analysis of the historic use of Oregon’s tax credit and expectation of federal earned income tax credit use, of which Oregon’s credit is a percentage thereof.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to increase the spendable income of low-income working families, thereby encouraging low-income earners to enter the labor force or earn more if already part of the labor force.