

HB 2132 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Kyle Easton, Economist

Meeting Dates: 4/4

WHAT THE MEASURE DOES:

Extends sunset for tax credit for contributions to Trust for Cultural Development Account from January 1, 2020 to January 1, 2026.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Cultural Trust credit provides a credit against personal and corporate income taxes for amounts contributed during the tax year to the Trust for Cultural Development Account established under ORS 359.405. The credit is only allowed to the extent that the taxpayer has contributed an equal amount to an Oregon cultural organization during the tax year. The amount of the credit is equal to the amount of the donation to the Trust for Cultural Development but may not exceed the lesser of the tax liability of the taxpayer or \$500 for personal income taxpayers or \$2,500 for corporate income taxpayers.

While statute dictates that the \$500 limit exists regardless of taxpayer filing status, the original revenue impact statement issued at time of credit enactment and administration of the credit has viewed the limit for joint filers to be \$1,000. This interpretation and administration of the credit appears to violate statute by providing a higher overall limit for jointly filed tax returns. The credit is nonrefundable and cannot be carried forward to later tax years.