

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

|                      |                            |
|----------------------|----------------------------|
| <b>Bill Number:</b>  | <b>HB 2133</b>             |
| <b>Revenue Area:</b> | <b>Personal Income Tax</b> |
| <b>Economist:</b>    | <b>Kyle Easton</b>         |
| <b>Date:</b>         | <b>2/28/2019</b>           |

*Only Impacts on Original or Engrossed Versions are Considered Official*

**Measure Description:**

Extends to January 1, 2026, sunset of personal income tax credit available to individuals aged 62 years or older that receive certain taxable retirement income.

**Revenue Impact (in \$Millions):**

|                     | Fiscal Year |         | Biennium |         |         |
|---------------------|-------------|---------|----------|---------|---------|
|                     | 2019-20     | 2020-21 | 2019-21  | 2021-23 | 2023-25 |
| <b>General Fund</b> | 0           | -0.7    | -0.7     | -1.3    | -1.2    |

**Impact Explanation:**

Existing law sunsets the certain retirement income tax credit on 1/1/2020. Extending the sunset of the credit for six years is estimated to reduce personal income tax revenues beginning in fiscal year 2020-21. The estimated reduction in revenue is expected to decrease in later years, reflective of the credit income qualification parameters not being indexed to inflation. The non-indexed parameters are expected to cause fewer taxpayers to qualify for the credit, or qualify to a lesser extent, in future tax years. This estimate was made based on an analysis of historic use of the credit as reported on income tax returns.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No

The policy purpose of this measure is to provide tax relief to low-income individuals with pension income.