

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

Bill Number:	SB 964
Revenue Area:	Personal Income Tax
Economist:	Kyle Easton
Date:	3/21/2019

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

Measure Description:

Creates personal income tax credit available to taxpayers that make qualified contributions to a selected community agency. Limits amount of credit to lesser of: 70 percent of the amount of qualified contributions for the taxpayer for the tax year or the tax liability of the taxpayer for the tax year in which the credit is claimed. Specifies credit is in addition to any credit or deduction allowed for charitable contributions.

Limits total credits allowed in any tax year to not more than \$2.1 million for all taxpayers and not more than \$700,000 for all qualified contributions made to a selected community agency (3 total community agencies are allowed to be established). Credit is available for tax years 2020 through 2025.

Revenue Impact: See impact explanation

Impact Explanation:

While overall annual limit of credit is \$2.1 million, recent experience of similar income tax credits suggest full amount of credits may not be claimed. This follows applicable federal 2018 tax law changes and 2018 proposed Treasury and Internal Revenue Service regulations that limit the federal deductibility of otherwise allowable charitable donations when an individual receives a state tax credit for such donations.

This measure has a subsequent referral to the Joint Committee on Tax Expenditures. A more complete revenue impact statement will be developed for that committee.

Creates, Extends, or Expands Tax Expenditure: Yes No

Further Analysis Required