

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

<b>Bill Number:</b>	HB 2664 - A
<b>Revenue Area:</b>	Income Taxes
<b>Economist:</b>	Kyle Easton
<b>Date:</b>	4/18/2019

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

**Measure Description:**

Extends sunset of Oregon subtraction from taxable income, amount of taxable gain of individual or corporation that sells a manufactured dwelling park. Sunset is extended from 1/1/2020 to 1/1/2026. To qualify for subtraction, sale of manufactured dwelling park must be made to a corporate entity formed by tenants of the park, or a nonprofit corporation or housing authority as described in ORS 90.844.

Extends sunset, from 1/1/2020 to 1/1/2026, for refundable \$5,000 personal income tax credit available to owners of a manufactured dwelling where the manufactured dwelling park is being closed and the rental agreement is being terminated. Makes technical modification relating to interaction of park closure and exercise of eminent domain.

**Revenue Impact:**

**Manufactured Dwelling Park Capital Gain:** Minimal

**Manufactured Park Closure:** Minimal

**Impact Explanation:**

**Manufactured Dwelling Park Capital Gain:** Use of the subtraction related to capital gains resulting from the sale of a manufactured dwelling park has varied in past years. Generally, the annual loss in revenue is less than \$100,000.

**Manufactured Park Closure**

In recent years, use of this credit has been minimal. This corresponds with fewer than five manufactured park closures in the past five years for which corresponding tax data is available. In the first two years following enactment (2007 & 2008), combined credit use was about \$1 million and corresponded with multiple park closures. If a large manufactured park, or several parks close, use of the credit could temporarily increase again. Technical modification aligns statute with historical policy administration of the credit and for that reason, no impact for eminent domain technical modification exists.

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

The policy purpose of this measure is:

**Manufactured dwelling park capital gain:** To encourage sales of manufactured dwelling parks to a corporate entity formed by the tenants of the park, or by a nonprofit corporation or housing authority.

**Manufactured Park Closure:** To mitigate the costs to manufactured dwelling park households that are forced to move due to instances where market forces and development are causing closure of the manufactured dwelling park.