

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
80th Oregon Legislative Assembly
2020 Regular Session
Legislative Revenue Office

Bill Number: SB 1531 - 4
Revenue Area: Personal Income Tax,
Property Tax
Economist: Kyle Easton
Date: 2/18/2020

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

Measure Description:

Makes relatively modest changes to multiple tax provisions including: low-income rental and nonprofit low-income rental property tax exemptions, tax refund interest, auction tax credit for Oregon Film and Video Office and short line railroad rehabilitation credit.

Specifies that expanded list of hospitals whose medical staff may qualify for the rural medical provider personal income tax credit, as modified by HB 2847 (2019), applies to tax years beginning on or after January 1, 2019 rather than January 1, 2020. Takes effect on 91st day following adjournment sine die.

Revenue Impact (in \$Millions):

Policy	Biennium		
	2019-21	2021-23	2023-25
<i>Income Tax</i>			
Refund interest	0.3	Minimal	Minimal
Rural medical provider credit	-0.2	0	0
Total General Fund	0.1	Minimal	Minimal

Impact Explanation:

The estimated impact of HB 2847 (2019) was a change in general fund revenue of -\$200,000 per tax year. This estimated reduction in general fund revenue was due to the expansion of the **rural medical provider** personal income tax credit. SB 1531 changes the initial tax year in which expansion of credit becomes effective, from tax year 2020 to tax year 2019. This change creates an additional tax year in which credit will be claimed causing an additional estimated revenue change of -\$200,000. This change in revenue is expected in the 2020-21 fiscal year as timing of changes will require taxpayers to either amend or file a return extension to benefit from change in measure.

Modification to period in which **tax refund interest** begins accruing is estimated to negate an otherwise expected reduction in revenue resulting from additional refund interest amounts being issued. A positive revenue impact is estimated for the 2019-21 biennium. Later biennia are expected to be minimally impacted because, absent modification in measure, it is expected that Department of Revenue would make necessary programming changes to generally meet the more stringent timeline of issuing refunds before interest begins accruing.

Changes unrelated to medical provider tax credit and tax refund interest are expected to minimally impact revenue.

Creates, Extends, or Expands Tax Expenditure: Yes No

The *policy purposes* of tax expenditures modified by this measure are unchanged.

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