

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
81st Oregon Legislative Assembly
2021 Regular Session
Legislative Revenue Office

Bill Number:	SB 120
Revenue Area:	Refund Interest
Economist:	Kyle Easton
Date:	3/2/2021

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Modifies period in which certain tax refund interest begins accruing, effective for refunds owing as of January 1, 2018.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2021-22	2022-23	2021-23	2023-25	2025-27
Refund Interest	\$1.0	\$0.1	\$1.1	\$0.2	\$0.2

Impact Explanation:

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 2021-23 biennium reflective of the negation of five years of otherwise expected refunds being issued. Positive revenue impacts in later biennia are expected to be about \$200,000 per biennium. Absent modification in measure, it is expected that Department of Revenue would issue relevant refunds accrued since January 1, 2018 and would otherwise make necessary programming changes to generally meet, where possible, the more stringent timeline of issuing refunds before interest begins accruing.

Estimates are based on relevant interest queries prepared by Department of Revenue and analysis of timing of tax refunds.

Creates, Extends, or Expands Tax Expenditure: Yes No