

HB 2450 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 5/11

WHAT THE MEASURE DOES:

Extends sunset from, January 1, 2023 to January 1, 2028, for tax credit available to personal and corporate income taxpayers who establish and implement an employee training program in a qualifying county.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The tax credit for employee training in a qualifying county was enacted as part of House Bill 2066 (2017) with the purpose of increasing participation in qualified employee training programs. The tax credit is available to personal and corporate income taxpayers located in a qualifying county who establish and implement an employee training program in collaboration with a local community college. The credit is equal to twelve percent of the taxpayer's expenses to establish and implement the employee training program. The credit is nonrefundable, but unused credit amounts can be carried forward for up to three years. To be a qualifying county, seven characteristics are required to be met. These seven characteristics effectively limit a potential qualifying county to only Klamath County.

As enacting legislation did not specify a tax credit sunset date, ORS 315.037 required the credit to apply for a maximum of six tax years. As the credit first became available beginning with tax year 2017, the credit will sunset following the 2022 tax year. House Bill 2450 extends the sunset to January 1, 2028.