

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

<b>Bill Number:</b>	<b>HB 2607</b>
<b>Revenue Area:</b>	<b>Construction Tax</b>
<b>Economist:</b>	<b>Dae Baek</b>
<b>Date:</b>	<b>03/08/2021</b>

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

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**Measure Description:**

Exempts from construction taxes, residential housing being constructed to replace residential housing on the lot or parcel of land that was destroyed or damaged by wildfire or another specified emergency event or circumstance. Applies to residential housing damaged or destroyed on or after January 1, 2020. Takes effect on the 91st day following adjournment sine die.

**Revenue Impact:** Indeterminate

**Impact Explanation:**

According to the Oregon Department of Education, 64 school districts imposed a total of \$26 million construction taxes in the school year 2018-19. School districts may use construction tax proceeds only for capital improvements.

If not for wildfire or another specified events, there would not be new residential rebuilding activity on the lot or parcel of land that was destroyed or damaged. It is not known how many units would be rebuilt, if at all, which leads to indeterminate revenue impact.

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

The policy purpose of this measure is to alleviate financial burden in rebuilding residential housing on the lot or parcel of land that was destroyed or damaged by wildfire or another specified emergency event or circumstance.