

**HB 3244 STAFF MEASURE SUMMARY**

**Joint Committee On Tax Expenditures**

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**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 6/4

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**WHAT THE MEASURE DOES:**

Increases maximum amount of tax credits that may be auctioned in a fiscal year, from \$14 million to \$20 million, for certified film production development contributions. Applies to fiscal years beginning on or after July 1, 2021.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Income tax credits are available to individuals or corporations that purchase tax credits at an auction conducted by the Department of Revenue (DOR). DOR administers the auction in cooperation with the Oregon Film and Video Office. Credit certificates are distributed in order of highest bid received as a percentage of credit value. A reserve bid price is announced prior to the auction and is required by statute to be at least 90% of the total amount of the tax credit.

Proceeds of the tax credit auction go to the Oregon Production Investment Fund (OPIF). OPIF funds are used to encourage film and television production in Oregon by providing incentives in the form of production spending rebates to qualifying productions. Measure would increase the maximum annual amount of credits that may be auctioned from \$14 million to \$20 million. Under current law, a taxpayer is not eligible for an OPIF auctioned tax credit for tax years beginning on or after January 1, 2024.