

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

**Bill Number:** HB 3302 - A3  
**Revenue Area:** Income Taxes  
**Economist:** Kyle Easton  
**Date:** 6/11/2021

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

**Measure Description:**

Creates income tax credit available to individuals and corporations that make contributions to a tax-exempt workforce training organization. Specifies qualification requirements to be met for organization to be considered a workforce training organization for purposes of credit. Qualification requirements include being a private tax-exempt nonprofit that is classified in the National Taxonomy of Exempt Entities - Core Codes of J21, J22, J33 or J99. Organizations must also have a mission statement that promotes work and self-sufficiency, provides workforce renewal services directly to clients, spends 50% of annual budget on direct services to clients, and has been incorporated and delivering workforce renewal services for at least two years.

Limits credit to least of, amount of contribution, \$250 for individuals or \$2,500 for corporations, or taxpayer's tax liability. Allows unused credit amounts to be carried forward up to three succeeding tax years. Applies to tax years beginning on or after January 1, 2021 and before January 1, 2031.

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2021-22	2022-23	2021-23	2023-25	2025-27
<b>General Fund</b>	-\$0.1	-\$0.2	-\$0.3	-\$0.4	-\$0.4

**Impact Explanation:**

Examination of credit's potential revenue impact is based on analysis of available financial information of nonprofits expected to meet workforce training organization qualification requirements. Revenue for such organizations is predominantly sourced from government grants and program service revenue with less than 10 percent of overall revenue being sourced from all other contributions. Such "all other contributions" include direct contributions received from individuals and taxable corporations and thus represents the pool of potentially credit qualifying donations. Estimate was also informed by donation information received from nonprofits operating in the workforce training field. It is expected that fewer than 50 Oregon nonprofits will meet qualification criteria and about 500 taxpayers are expected to claim the credit.

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

The policy purpose of this measure is to encourage donations to nonprofit workforce training organizations. By supporting the funding of such organizations, the goal is to provide skills to individuals, thereby causing increased employability, self-sufficiency, and poverty reduction.