

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

Bill Number:	HB 2442
Revenue Area:	Personal Income Tax
Economist:	Kyle Easton
Date:	2/24/2021

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Extends sunset from January 1, 2022 to January 1, 2026, of additional personal exemption tax credit available to taxpayers with a severe disability.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2021-22	2022-23	2021-23	2023-25	2025-27
General Fund	\$0	-\$4.8	-\$4.8	-\$9.7	-\$9.7

Impact Explanation:

In recent years, about 32,000 taxpayers per year have claimed the severe disability tax credit with an average tax reduction of about \$145 per taxpayer. The maximum amount of the credit is \$210 (double for joint filers) in tax year 2020 and is indexed to inflation. The tax credit is limited to taxpayers with adjusted gross income that does not exceed \$100,000 for the tax year. Revenue impact estimate is based on analysis of historic use of the credit, expected credit cost with inflationary adjustment, and number of taxpayers expected to meet income qualification requirement.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of the tax credit is to provide financial relief and offset costs associated with a taxpayer's disability.