

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

Bill Number: HB 3178
Revenue Area: Unemployment Insurance Trust Fund
Economist: Dae Baek
Date: 03/10/2021

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

Measure Description:

Temporarily removes a condition for being deemed "unemployed" that an individual's weekly remuneration for part-time work must be less than the individual's weekly unemployment insurance benefit amount. Restores such condition for weeks beginning on or after January 2, 2022. Takes effect on passage.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium
	2021-22	2022-23	2021-23
Unemployment Insurance Trust Fund	-\$75.0	\$0	-\$75.0

Data Source: Oregon Employment Department

Impact Explanation:

Specified in this bill, a temporary removal of a non-eligibility criterion is expected to result in (1) an increase in the amount paid on current weekly benefits, (2) an increase in new claims filed, and (3) an increase in the number of individuals transitioning from Work Share to regular benefits. Estimated increase in benefit payments and associated loss of interest income amount to \$75 million, concentrated in the fiscal year 2021-22. Payments to reimbursing employers are estimated to be \$19.8 million but the fund will recoup such cost within the same fiscal year.

While this bill has a substantial Unemployment Insurance Trust Fund impact, the Oregon Employment Department does not anticipate that such impact will alter the baseline unemployment insurance tax schedule projection.

Expected total payment of \$93 million (\$73.2 million to employees of tax-paying employers, and \$19.8 million to those of reimbursing employers) could increase personal income tax collections, depending on recent federal legislation.

Creates, Extends, or Expands Tax Expenditure: Yes No