

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

Bill Number:	HB 3160
Revenue Area:	Insurance Taxation
Economist:	Kaitlyn Harger
Date:	4/8/2021

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

Measure Description:

Currently, the introduced version of HB 3160 establishes a \$10 surcharge on each property and casualty insurance policy written within the state.

Impact Explanation:

Analysis of this measure is ongoing. Based on data provided by the Department of Consumer and Business Services (DCBS), there were roughly 9.9 million property and casualty insurance policies issued within Oregon during 2019. Using that as a starting point for the estimation process, the expected revenue from the surcharge described in the bill is \$99 million. However, this number does not include *any* estimate of the retaliatory tax implications of an increase in taxes and charges on insurers. Typically, when taxes on insurers in Oregon increase, retaliatory tax revenue to the state decreases. It is possible that any increase in revenue from the additional surcharge described in HB 3160 could be offset by a decrease in revenue from retaliatory taxes. This is an ongoing area of analysis and will be continued in subsequent House Committee discussions.

Creates, Extends, or Expands Tax Expenditure: Yes No

Further Analysis Required