

SB 129

Opportunity Grant Contributions Auctioned Income Tax Credit

Senate Committee on Education

LRO | 2/9/2023



Opportunity Grant Auctioned Credit

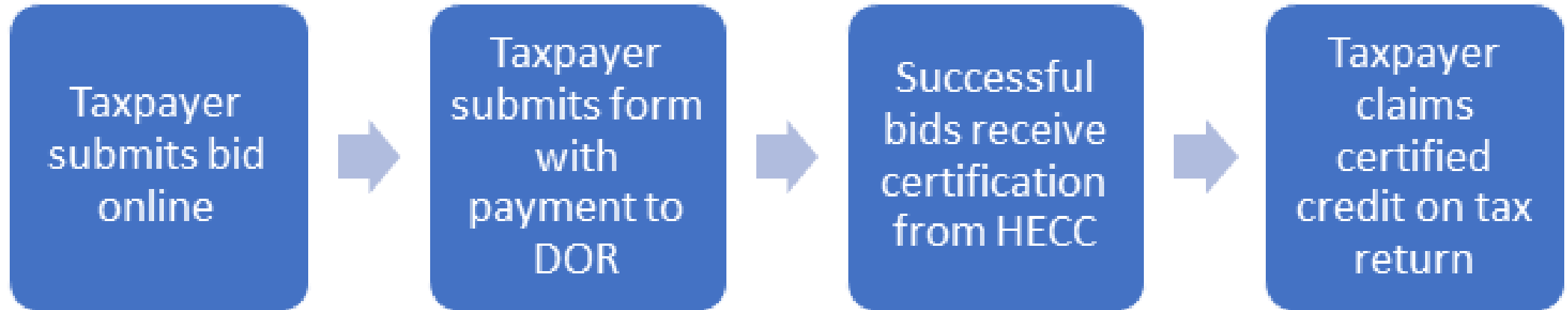
- Oregon Opportunity Grant: Oregon's largest state-funded need-based grant program for college students <https://www.oregon.gov/highered/research/Pages/state-financial-aid-data.aspx>
- **Purpose of Credit:** Establish an additional funding source for Opportunity Grant program, resulting in net increase in funding
 - Secondary purpose: work around SALT limitations
- Taxpayers purchase tax credits sold at auction held by Department of Revenue
- Proceeds of tax credit auction deposited into Opportunity Grant Fund
- Tax credits sold in \$500 increments, minimum auction bid price of \$450 (90% of credit face value)
- Maximum \$14 million in credits sold at auction per fiscal year





Opportunity Grant Auctioned Credit

Tax Credit Auction Process

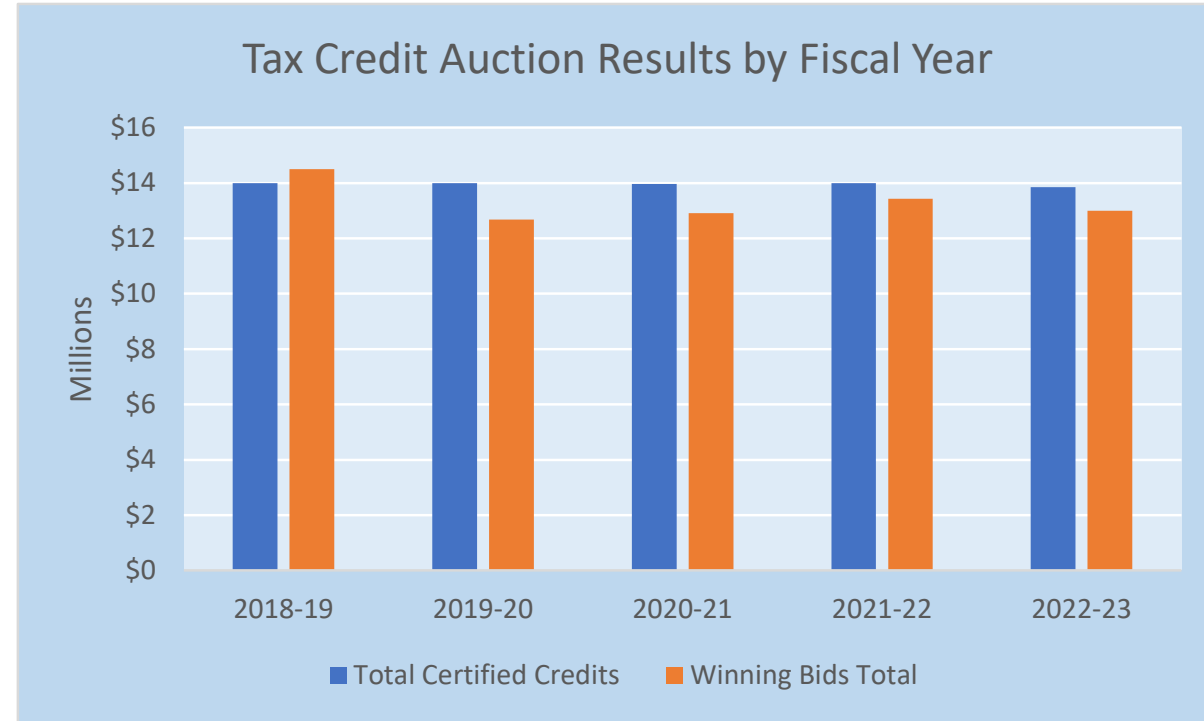




Auction Results

Opportunity Grant Tax Credit Auction Results, by Fiscal Year (\$'s in Millions)					
	2018-19	Auctions Post IRS Rule Modification			
		2019-20	2020-21	2021-22	2022-23
Total Certified Credits	\$14.0	\$14.0	\$14.0	\$14.0	\$13.8
Winning Bids Total	\$14.6	\$12.7	\$13.0	\$13.5	\$13.1
Admin. Costs	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Net Auction Proceeds	\$14.5	\$12.7	\$12.9	\$13.4	\$13.0
<i>Proceeds per \$ of Credit Cert.</i>	<i>\$1.04</i>	<i>\$0.91</i>	<i>\$0.92</i>	<i>\$0.96</i>	<i>\$0.94</i>

- December auction did not sell full \$14M in credits available for FY 2022-23
- \$154,500 credits remaining to be auctioned by Department of Revenue Feb. 13th through the 15th



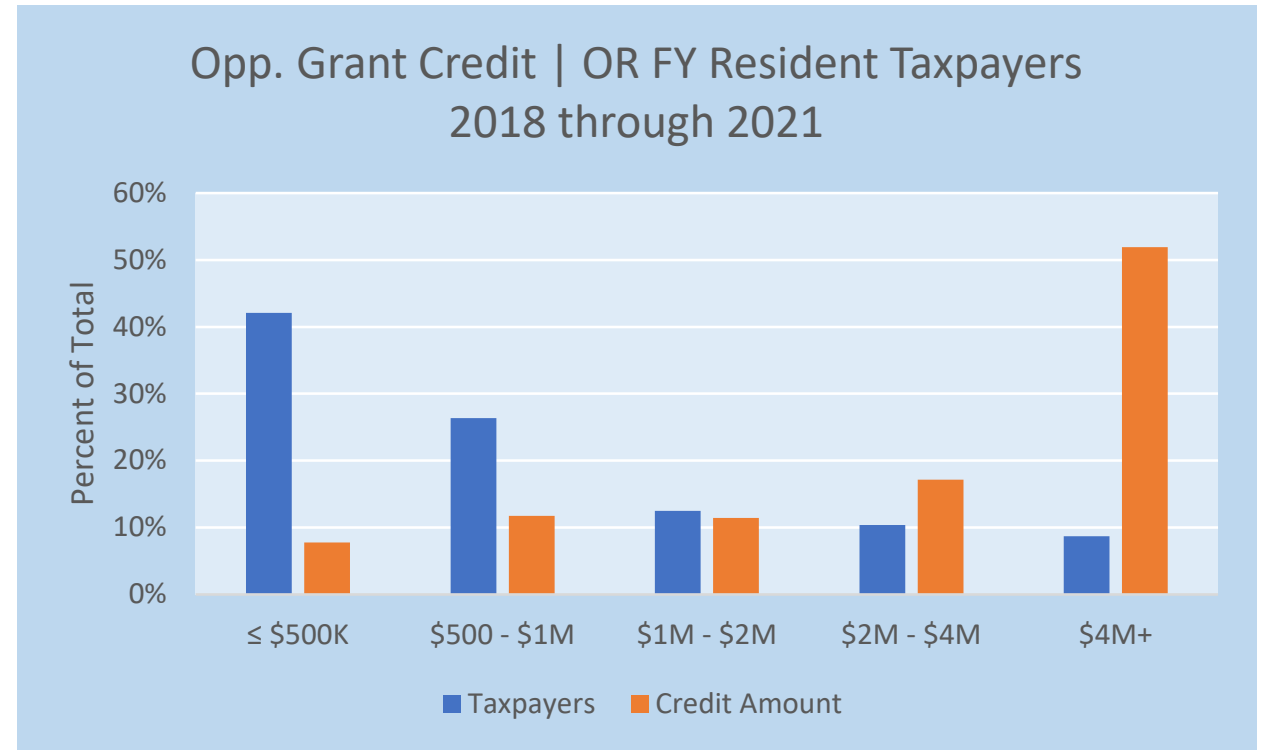


Taxpayers Claiming the Credit

Opp. Grant | OR FY Resident Personal Inc. Taxpayers | TYs 2018 - 2021

AGI	--- Taxpayers ---		----- Credit Amount -----		
	Number	Pct. of Total	\$'s in Millions	Pct. of Total	Avg. Claimed
≤ \$500K	276	42%	\$4.0	8%	\$14,458
\$500 - \$1M	173	26%	\$6.0	12%	\$34,856
\$1M - \$2M	82	13%	\$5.9	11%	\$71,350
\$2M - \$4M	68	10%	\$8.8	17%	\$129,568
\$4M+	57	9%	\$26.6	52%	\$467,203
Total	656	100%	\$51.3	100%	\$78,220

Note: Includes preliminary tax year 2021 data



Legislative Revenue Office

<https://www.oregonlegislature.gov/lro>

503-986-1266

State of Oregon

LEGISLATIVE REVENUE OFFICE

