

SB 129 -1, -2 STAFF MEASURE SUMMARY

Senate Committee On Education

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/9, 2/28

WHAT THE MEASURE DOES:

Extends the sunset date for the Opportunity Grant Fund tax credit auction from January 1, 2024 to January 1, 2030.

ISSUES DISCUSSED:

- Changes at federal level on limits to the deductibility of tax credits
- Alternate funding sources for Opportunity Grant Fund

EFFECT OF AMENDMENT:

-1 Sunsets Opportunity Grant Fund tax credit auction as of January 1, 2023. Takes effect on 91st day following adjournment sine die.

-2 Replaces the measure. Sunsets Opportunity Grant Fund tax credit auction as of January 1, 2023. Allows credits that were purchased at auction between January 1 and March 1, 2023 to be claimed for the 2023 tax year. Takes effect on 91st day following adjournment sine die.

BACKGROUND:

The Oregon Opportunity Grant is the state's largest financial aid program, administered by the Higher Education Coordinating Commission.

Senate Bill 129 applies to three statutes relating to tax credit contributions to the Opportunity Grant Fund. ORS 315.643 establishes a tax credit for certified contributions made by taxpayers to the Opportunity Grant Fund and directs the Department of Revenue to conduct an auction of such tax credits. ORS 315.646 creates a process by which the Legislative Assembly may fund the Opportunity Grant Fund in lieu of the tax credits that would be certified for the upcoming fiscal year. ORS 348.267 permits the Higher Education Coordinating Commission to hire or contract for the marketing of the Opportunity Grant tax credit.

According to the Legislative Revenue Office, a maximum of \$14 million in credits is sold at auction per fiscal year.

Senate Bill 129 extends the sunset date for the auction of tax credit contributions to the Opportunity Grant Fund until January 1, 2030.