

**SB 502 A STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

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**Prepared By:** Chris Allanach, Legislative Revenue Officer

**Meeting Dates:** 5/31

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**WHAT THE MEASURE DOES:**

Changes the 2021-23 Close-of-Session estimate for non-corporate revenue from \$22.1 billion to \$27 billion. Requires the Department of Revenue to make payments to each eligible taxpayer in the amount of \$1,000 per tax return. Eligible taxpayers are those who have timely filed a full-year resident personal income tax return for the 2022 tax year. Payments must be made by December 15, 2023. Establishes the Oregon Wildfire Mitigation and Adaptation Fund. The amount transferred to the fund is approximately \$4.9 billion less the total amount sent to full-year resident taxpayers. An estimated \$590 million would be returned to personal income taxpayers as per the customary kicker process.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The personal kicker has been previously suspended once by the Legislature, following the 1989-91 biennium. A surplus amount of roughly \$186 million was retained for budgetary purposes following the newly enacted Measure 5, a property tax limitation passed by voters in the fall of 1990.

The corporate kicker was suspended twice before 2012. The first time was in 1993 (\$18 million) also due to the implementation of Measure 5. The second time was in 2007 when roughly \$344 million was used as initial capital for the creation of Oregon's Rainy Day Fund.