

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
82nd Oregon Legislative Assembly
2023 Regular Session
Legislative Revenue Office

Bill Number: HB 2757 - A7
Revenue Area: Telecom Taxes
Economist: Jonathan Hart
Date: June 20, 2023

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

Measure Description:

Imposes tax of 40 cents per line per month on consumers and retail subscribers who have telecommunications service or interconnected Voice over Internet Protocol (VoIP) service and 40 cents per transaction for prepaid telecommunications services, to pay for crisis services system. Exempts services provided under the Oregon Lifeline program from the new tax. Applies the tax to subscriptions and retail transactions beginning January 1, 2024.

Revenue Impact (in \$Millions):

| | Fiscal Year | | Biennium | | |
|-------------------------|-------------|---------|----------|---------|---------|
| | 2023-24 | 2024-25 | 2023-25 | 2025-27 | 2027-29 |
| 9-8-8 Trust Fund | \$6.5 | \$26.4 | \$32.9 | \$54.1 | \$56.0 |

Impact Explanation:

The forecast of the current 911 tax from the Governor’s Budget, updated for recent collections, is the base for the revenue estimate for this 988 Tax. Starting the tax in January 2024 will result in five quarterly payments arriving in the 2023-25 biennium. The bill exempts low-income households that receive discounted phone service through the Oregon Lifeline program.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of the exemption in the measure is to support access to phone service for households that qualify for the Oregon Lifeline program.