

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

<b>Bill Number:</b>	<b>HB 2083 - A</b>
<b>Revenue Area:</b>	<b>Income taxes</b>
<b>Economist:</b>	<b>Kyle Easton</b>
<b>Date:</b>	<b>6/20/2023</b>

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

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**Measure Description:**

Extends applicability of pass-through business elective income tax (PTE-E) and related personal income tax credit from tax years beginning on or before January 1, 2024, to tax years beginning on or before January 1, 2026.

**Revenue Impact:**

The underlying tax and credit program is designed to be net revenue neutral for Oregon with a federal tax benefit for participating taxpayers. The Oregon income tax credit is designed to offset the tax paid by the pass-through business entity. Participation in the program is voluntary and should be driven by the extent to which personal business owners have state tax liabilities large enough to exceed the \$10,000 limit on the federal deduction for state and local taxes (SALT). To date, about 20K entities have registered for the PTE-E tax and about \$300 million in credits have been claimed.

Extending the program for two years will align Oregon’s tax and credit program applicability with existing federal law limiting the personal income SALT deduction which is scheduled to expire following the 2025 tax year. The PTE-E tax and credit program is designed to be revenue neutral for Oregon though there could be a temporal shift of funds across fiscal years or biennia due to changes in timing of entity tax payments and tax credits being claimed.

**Creates, Extends, or Expands Tax Expenditure: Yes  No**