

Senate Finance & Revenue

2025 Overview



Tax Policy Fundamentals

Article IV, Section 18. Where bills to originate. Bills may originate in either house, but may be amended, or rejected in the other; except that bills for raising revenue shall **originate in the House of Representatives**

Article IV, Section 25. Majority necessary to pass bills and resolutions; special requirements for bills raising revenue; signatures of presiding officers required. (1) Except as otherwise provided in subsection (2) of this section, a majority of all the members elected to each House shall be necessary to pass every bill or Joint resolution.

(2) **Three-fifths of all members elected to each House shall be necessary to pass bills for raising revenue.**

(3) All bills, and Joint resolutions passed, shall be signed by the presiding officers of the respective houses.

What is a “bill for raising revenue”? Two-pronged test:

1. Does the bill bring money into the treasury?
2. If ‘yes’, does the bill possess the essential features of a bill levying a tax?

Estate Tax

What is the tax?

- A tax imposed when a property transfer is caused by death, levied on the property's value at that time
- Marginal tax rates of 10% to 16%

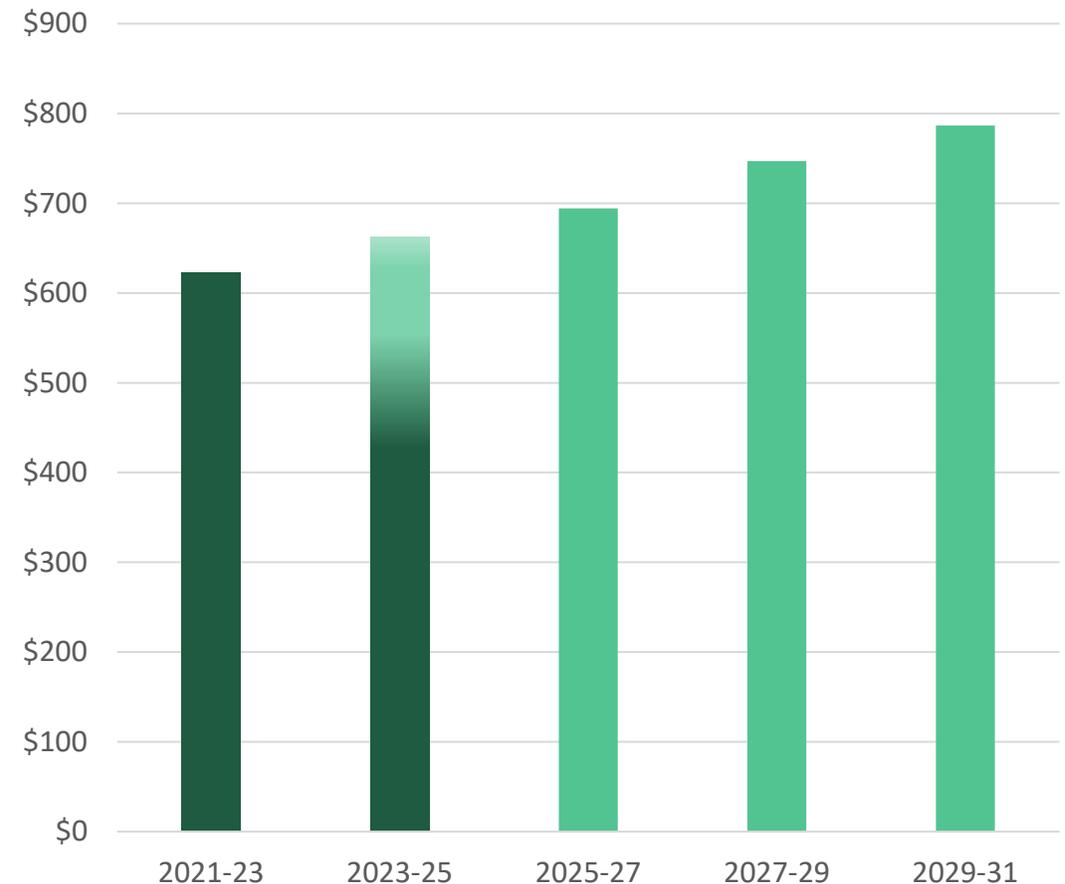
How much revenue does it raise and how is it spent?

- \$660M in 2023-25
- ~2% of General fund

Potential policy changes

- Increase the exemption threshold
- Change the tax rates

\$ Millions



Corporate Activity Tax

What is the tax?

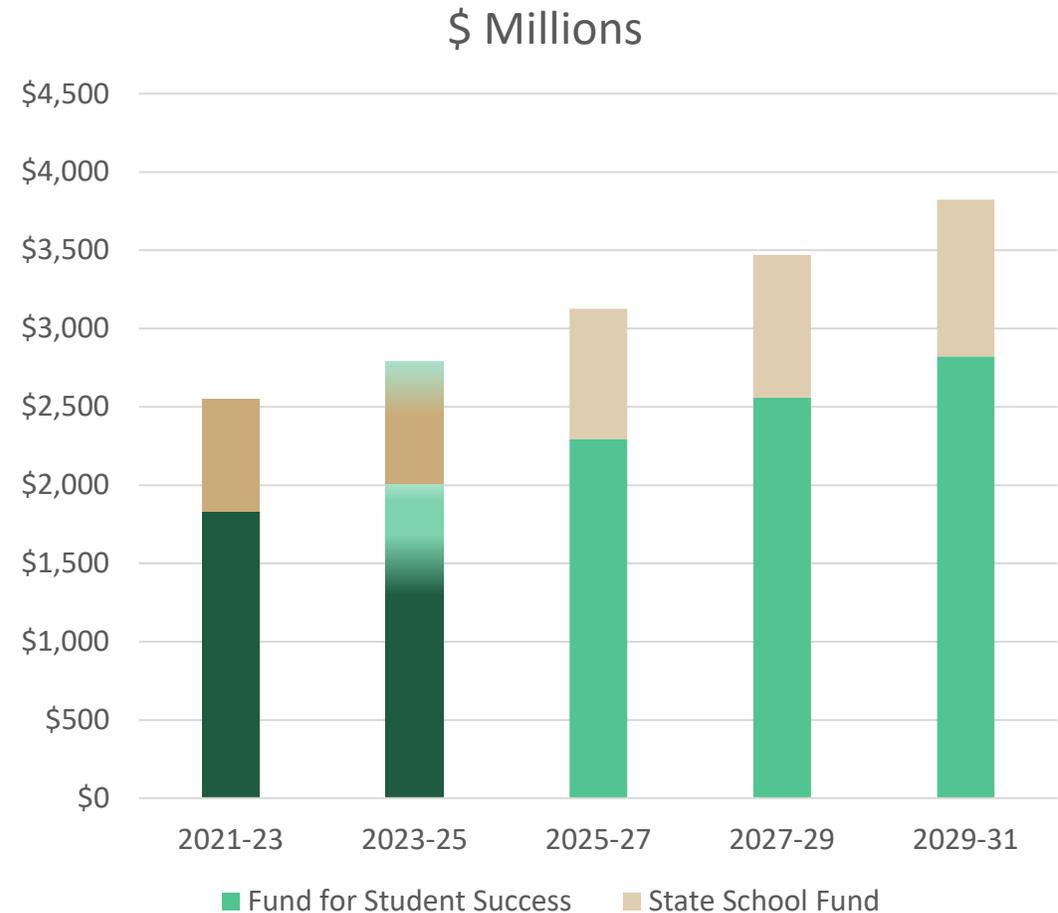
- A tax imposed on businesses with at least \$1M of “commercial activity (CA)”
- \$250 plus 0.57% of CA above \$1M

How much revenue does it raise and how is it spent?

- \$2,790M in 2023-25
- Fund for Student Success (FSS)
- State School Fund (SSF)

Potential policy changes

- Exempt specific revenues
- Increase the exemption threshold



Tax Expenditure Review Process

What is a Tax Expenditure?

- Any law that exempts certain persons, income, goods, services or property from the impact of established taxes
- Examples include exclusions, deductions, subtractions, credits, and exemptions

What is the process?

- Tax credits and property tax exemptions with sunsets are subject to a policy review
- In 2009 the Legislature created automatic sunsets for all tax credits

What is the Joint Committee on Tax Expenditures?

- A W&M-like process to coordinate the revenue side of the state's budget process

2025 Tax Credits and Impacts

- Earned Income: \$53M
- Certain Retirement Income: \$0.4M
- Crop Donations: \$0.2M
- Manufactured Dwelling Park Closure: Minimal

2025 Property Tax Exemptions

- Non-profit Low-Income Rental Housing
- Vertical Housing Development Zone
- Multi-Unit Rental Housing
- Brownfield Development
- Cargo Containers

Transportation Funding

Joint Committee on Transportation

- Budget demands versus revenue projections
- Intersection with revenue committees
- Highway Cost Allocation Study

Revenue Work

- Highway Fund revenues
- Transit system revenues
- Highway Cost Allocation Study

LRO Resources

<https://www.oregonlegislature.gov/lro/Pages/publications.aspx>

View Publications by Topic - Click to reset topic area filters

-  Ballot Measures
-  Corporate Income Tax
-  Excise Taxes
-  Federal Connection
-  Legislative Summaries
-  Oregon Public Finance: Basic Facts
-  Oregon's Tax System
-  Personal Income Tax
-  Property Tax
-  Revenue Forecasts
-  School Finance
-  Tax Expenditures
-  Other Reports

LEGISLATIVE REVENUE OFFICE



2025 OREGON PUBLIC FINANCE: BASIC FACTS

Report #1-25
January 21, 2025

Selected Tax System Reports

Tax Statistics (DOR)

- [2025-27 Tax Expenditure Report](#)
- [Personal Income Tax Statistics, TY 2022](#)
- [Corporate Income Tax Statistics, TY 2022](#)
- [Corporate Activity Tax Statistics, TY 2021](#)
- [Property Tax Statics, FY 2023-24](#)

Revenue Forecasts (OEA and ODOT)

- [General Fund/Lottery \(December 2024\)](#)
- [LRO Forecast Summary \(December 2024\)](#)
- [Highway Fund \(October 2024\)](#)

Recent LRO Reports

- 2025 Oregon Public Finance: Basic Facts
- [2025 Income Tax Credit Review](#)
- [2025 Property Tax Exemption Review](#)
- [Emergency Volunteer Tax Benefits](#)
- [K-12 School Funding Equalization](#)
- [Tax Treatment of Military Pension Income](#)
- [Revenue Measures Passed in 2024](#)
- [Oregon Corporate Income Tax: 2023 Update](#)
- [Forest Products Harvest Tax](#)

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