

HB 3360 STAFF MEASURE SUMMARY

House Committee On Education

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/17

WHAT THE MEASURE DOES:

The measure appropriates excess corporate income and excise taxes to the School Facility Improvement Fund. The Fund would be used for public school construction projects, infrastructure improvements, and maintenance projects. The measure requires that grants only be awarded to school districts that have submitted general obligation bonds during the preceding 3 years, have not received voter approval for general obligation bonds for the last 10 years, and have reserves of not more than eight percent of the district's adopted budget. The measure takes effect on the approval of House Joint Resolution 13 at the November 2026 election.

Fiscal impact: May have fiscal impact, but no statement yet issued.

Revenue impact: May have revenue impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the [Oregon Department of Revenue 2025 Report](#), the corporate excise tax was first created in 1929, taxing corporations at five percent tax. The corporate excise tax rate has been as low as four percent in 1955 to as high as nine percent in 1957. Since 2013, all corporations with a taxable income of \$1 million or less had a 6.6 percent tax rate while corporations with over \$1 million had a 7.6 percent tax rate. Each corporation must pay a minimum tax amount ranging from \$150 to \$100,000 dependent on the corporation's Oregon sales.

In 1979, the Legislative Assembly enacted a surplus kicker statute along with a spending limit and a tax plan. Voters approved this package in the 1980 primary election. Then in 1999, the Legislative Assembly referred a constitutional amendment, placing much of the kicker statute in the Oregon Constitution. Voters approved that amendment in November 2000. The constitutional provision first applied to the kicker calculation following the 2001-2003 biennium. In 2012, Oregonians passed Ballot [Measure 85](#) requiring the corporate kicker be dedicated to public K-12 education. Then in 2013, the Legislative Assembly enacted [House Bill 2325](#), directing excess revenues from corporate income and excise taxes to the State School Fund.

Another bill, [House Joint Resolution 13](#), amends the Oregon Constitution to change Article IX Section 14 of Oregon constitution to modify the corporate kicker funding from public education to public school construction projects, infrastructure improvements and maintenance projects for the benefit of students in kindergarten through 12 grade. House Bill 3360 cannot be enacted unless HJR 13 is enacted by voters.