

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
83rd Oregon Legislative Assembly
2025 Regular Session
Legislative Revenue Office

Bill Number: SB 108 - 1
Revenue Area: Income Taxes
Economist: Kyle Easton
Date: 4/13/2025

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

Measure Description:

Extends the sunset of the crop donation tax credit by six years, from January 1, 2026, to January 1, 2032. Increases value of credit from 15 percent of the wholesale value of the crop donated to 25 percent. Increased percentage made applicable to tax years beginning on or after January 1, 2025.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2025-26	2026-27	2025-27	2027-29	2029-31
General Fund	-\$0.1	-\$0.2	-\$0.3	-\$0.7	-\$0.9

Impact Explanation:

The measure reduces General Fund revenue beginning with fiscal year 2025-26 by first increasing the percentage value of the credit in tax year 2025 and then extending the credit's applicability (with percentage increase) through tax year 2031. The revenue impact estimate includes both the percentage increase in the credit and the six-year applicability extension. Since 2014 when the credit was reinstated, the annual reduction in tax revenue due to the credit has averaged about \$200K with roughly 100 taxpayers claiming the credit on average per year. The credit is non-refundable meaning taxpayers need sufficient tax liability to claim the credit. Unused credit amounts may be carried forward by the taxpayer and used to reduce tax liability in up to three succeeding tax years. The revenue impact estimate was made through an analysis of historical credit use and reflects an expected increase in the amount of credit claimed and credit carryforwards due to the increased credit percentage. The 2025-27 estimate is lower than subsequent biennia in part due to the current law sunset of the credit occurring midway through the 2025-27 biennium.

Creates, Extends, or Expands Tax Expenditure: Yes ☒ No ☐

The policy purpose of this measure is to increase the amount of food donated to food banks, gleaning cooperatives, and other charitable organizations as well as to provide compensation to farmers for the expenses associated with donating crops.