

HB 3329 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Kyle Easton, Senior Economist

Meeting Dates: 3/25, 5/22

WHAT THE MEASURE DOES:

Increases by \$8 million (from \$20 million to \$28 million), the total annual amount of tax credits auctioned for the purpose of generating proceeds to be deposited to the Oregon Production Investment Fund. Increase applies to auctions conducted in fiscal years beginning on or after July 1, 2025. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Standard review schedule for the credit
- Proposed changes to credit's auction limit, sunset left unchanged
- Rationale for the auction limit increase
- Differing industry impacts from movie production compared with a television series
- Film tourism
- Return on investment
- Fundamentals of the incentive and associated reimbursement
- Project evaluation and fund allocation
- Comparison with incentives provided in other states
- Example of local production costs.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Income tax credits are available to individuals or corporations that purchase tax credits at an auction conducted by the Oregon Department of Revenue (DOR). DOR administers the auctions in cooperation with the Oregon Film and Video Office. Proceeds of the tax credit auction go to the Oregon Production Investment Fund (OPIF) which provides reimbursements to qualifying filmmakers or local media production services companies. The maximum annual amount of credits that may be auctioned is \$20 million. Credit certificates are distributed in order of highest bid received as a percentage of credit value. A reserve bid price is announced prior to the auction and is required by statute to be at least 90% of the total amount of the tax credit. Under current law, a taxpayer is not eligible for an OPIF auctioned tax credit for tax years beginning on or after January 1, 2030.