

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

Bill Number: SB 143 - 2
Revenue Area: Unemployment Insurance
Economist: Michael Doughty
Date: 05/20/2025

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

Measure Description:

Increases the Supplemental Employment Department Administration Fund allocation of unemployment insurance payroll tax revenues. Applies the increase to calendar quarters beginning on or after April 1, 2025. Modifies the Supplemental Employment Department Administration Fund balance over which money is transferred to the Unemployment Compensation Trust Fund in odd numbered years. Applies the modification to biennia ending on or after June 30, 2025. Takes effect on the 91st day following the adjournment sine die.

Revenue Impact (in Millions):

Policy/Fund	Fiscal Year		Biennium		
	2025-26	2026-27	2025-27	2027-29	2029-31
Unemployment Insurance Trust Fund	-\$9.8	-\$28.8	-\$38.7	-\$44.8	-\$48.8
Supplemental Employment Department Administration Fund	\$9.7	\$28.3	\$37.9	\$42.0	\$45.7
Total	-\$0.2	-\$0.5	-\$0.7	-\$2.8	-\$3.0

Data Source: Oregon Employment Department

Impact Explanation:

This measure does not impact the unemployment insurance (UI) tax rate. It increases the Supplemental Employment Department Administration Fund (SEDAF) allocation of UI payroll tax revenues. With the change, the SEDAF adds more money to the pool of revenues that are available to administer state UI programs. The diversion of UI tax revenues from the UI trust fund to the SEDAF will lower the UI trust fund balance. The Oregon Employment Department (OED) expects that the UI trust fund balance will be \$38.7 million less in the 2025-27 biennium and \$44.8 million less in the 2027-29 biennium. The impact includes loss of interest income that would have been earned if not for the diversion. Given the trust fund balance of \$6.4 billion as of March 2024, the loss in the fund balance is not projected to change UI tax schedules.

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

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