



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to children; prescribing an effective date.

Government Unit(s) Affected: Department of Revenue, Oregon Judicial Department

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Revenue	\$ 184,998	\$ -	\$ 7,311	\$ -	\$ 192,309	3	0.75
Total Fiscal Impact	\$ 184,998	\$ -	\$ 7,311	\$ -	\$ 192,309	3	0.75

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Revenue	\$ 587,792	\$ -	\$ 23,230	\$ -	\$ 611,022	3	3.00
Total Fiscal Impact	\$ 587,792	\$ -	\$ 23,230	\$ -	\$ 611,022	3	3.00

Measure Description

The measure increases the child (dependent) tax credit from \$1,000 to \$1,200 and increases the annual income limits for eligibility. The income threshold to qualify for the full credit is increased from \$25,000 to \$35,000, and the phase-out for partial credit is increased from \$30,000 to \$45,000 annually. The measure applies to tax years beginning on or after January 1, 2026.

Fiscal Analysis

The estimated fiscal impact of the measure for the Department of Revenue (DOR) is \$184,998 General Fund, \$7,311 Other Funds, and three permanent full-time positions (0.75 FTE) for the 2025-27 biennium and \$587,792 General Fund, \$23,230 Other Funds, and three permanent full-time positions (3.00 FTE) for the 2027-29 biennium.

Based on historical tax credit data from 2023, DOR anticipates the measure will increase the number of eligible taxpayers by 20,000, resulting in a higher volume of returns filed, refunds processed, and services provided to customers. To address the increased workload, DOR anticipates hiring one permanent full-time Public Service Representative (PSR) 3 to manage the estimated increase of 40 calls per day in the Taxpayer Services Unit and two permanent full-time PSR 4 positions to assist with initial claim reviews, refund reviews, and the overall workload increase in the Refund Protection and Refund Review Units.

The 2025-27 estimated cost of \$192,309 total funds includes position related costs of \$165,758 General Fund and \$6,551 Other Funds, as well as \$19,240 General Fund and \$760 Other Funds for outreach efforts to notify eligible taxpayers of the credit increase and modifications to eligibility thresholds. DOR reports that system updates related to the measure will be absorbed within annual system updates.

There is no fiscal impact from the measure on the Oregon Judicial Department.

Relevant Dates

The measure takes effect on the 91st day after sine die.

The measure applies to tax years beginning on or after January 1, 2026.