

## HB 3975 STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Prepared By:** Jonathan Hart, Economist

**Meeting Dates:** 6/12

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#### WHAT THE MEASURE DOES:

Creates a corporate income tax credit for Oregon-chartered banks that are new to the state. Applies to banks first authorized to conduct business in Oregon and commencing business during the current tax year or the two prior tax years. Does not include banks formed by merger or conversion that has filed an Oregon tax return in a previous year. Sets the amount of the credit at amount of tax due up to \$1 million. Allows credit to be carried forward up to three tax years. Requires Department of Consumer and Business Services to provide information to the Department of Revenue about banks eligible for the credit. Applies to banks that commence business in Oregon in tax years beginning on or after January 1, 2026 and before January 1, 2032. Takes effect 91st day after sine die.

#### ISSUES DISCUSSED:

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

[The Congressional Research Service reports](#) that nationally, assets held by banks has increased but the number of banks has decreased since the 1980s. The decline is a result of consolidation through mergers and acquisitions, as well as failures. The formation of new banks has declined significantly after the 2007-2009 financial crisis, though applications for new bank charters have more recently increased.