

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

Bill Number: HB 2271 - 2
Revenue Area: Unemployment Insurance
Economist: Michael Doughty
Date: 06/16/2025

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

Measure Description:

The bill establishes a nonrefundable tax credit against an employer's unemployment insurance payroll taxes owed for calendar year 2025. To be eligible for the credit requires an employer's tax rate for calendar year 2025 to have been at least two and one-half percentage points less than the employer's tax rate for calendar year 2024. Additionally, employers must have had a tax rate based on experience for calendar year 2020, filed all quarterly reports and paid all tax liabilities for 2024 and 2025 in a timely manner, had a tax rate calculation that did not include the transfer or trade for another business in calendar years beginning on or after January 1, 2021, and have paid, or are complying with terms of payment, all outstanding unemployment insurance tax related obligations as of January 1, 2025. The credit is equal to the lesser of an employer's unemployment insurance payroll taxes due for calendar year 2025 or \$5,000. Credits are not provided for amounts less than \$100.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2025-26	2026-27	2025-27	2027-29	2029-31
Unemployment Insurance Trust Fund	-\$0.4	-\$0.8	-\$1.2	-\$0.1	-\$0.1

Date source: Oregon Employment Department

Impact Explanation:

Oregon Employment Department data is used to estimate the number of employers who qualify for the credit and the estimated payroll taxes owed. The revenue impact includes lost interest revenue earned on the Unemployment Compensation Trust Fund.

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

The purpose of the credit is to provide relief to employers who had their unemployment insurance payroll tax rate inadvertently increased due to unemployment insurance policies passed in response to COVID-19.