

HB 2087 A STAFF MEASURE SUMMARY

Senate Committee On Rules

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Meeting Dates: 6/27

WHAT THE MEASURE DOES:

The measure extends and/or modifies twelve tax expenditures affecting personal and corporate income taxes, the weight-mile tax, or fuel taxes. It extends the sunsets of the following tax expenditures by six years, from 2026 to 2032, without making additional policy changes: **earned income** tax credit, **pension income** credit, **manufactured dwelling park closure** credit, **manufactured dwelling park capital gains** subtraction, and **vehicle used for testing emissions** tax exemption. The sunset of the **first time homebuyer savings account** subtraction is extended by five years, from 2027 to 2032. It extends the sunset of the **crop donation** tax credit by six years, from January 1, 2026, to January 1, 2032. It increases the value of the crop donation tax credit, from 15 percent of wholesale value of the crop donated, to 25 percent, and is applicable to tax years 2025 and later. It increases the tax credit allowed to **rural volunteer emergency medical services (EMS) providers**, from \$250 per tax year to \$1,000 per tax year, and makes changes applicable to tax years 2026 and later. It extends the sunset of EMS credit by two years, from January 1, 2028, to January 1, 2030. It expands qualification of the **affordable housing lenders** tax credit. It adds "qualified mortgage loan fund" to the definition of "qualified loan" and "loan eligibility." It expands loan eligibility to include loan proceeds used to finance preservation, or rehabilitation, of housing in financial or physical distress that is certified by the Housing and Community Services Department and is, or will be, occupied by households earning 80 percent or less of area median income. It aligns statutory language with the existing sunset of the tax credit. It makes the changes to affordable housing lenders tax credit applicable to tax years beginning on or after January 1, 2026. It increases the total annual amount of tax credits auctioned for the purpose of generating proceeds to be deposited to the **Oregon Production Investment Fund (OPIF)**, and increases limits from \$20 million to \$20.6 million for auction(s) held in fiscal year 2025-26, and to \$21.2 million for auction(s) held in fiscal years 2026-27, and later. It increases the aggregate limit on the amount of tax credits allowed to all taxpayers in any tax year for donations made to the state-selected fiduciary agency for use in providing funding to **Individual Development Accounts (IDA)**, and increases limits, from \$7.5 million to \$7.7 million in 2025, and to \$8 million in tax years 2026 and later. It takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The measure is the 2025 General Fund tax expenditure omnibus. It makes changes to twelve existing tax expenditures. It extends the sunsets of three tax credits, two subtractions, and two transportation related exemptions, without changing policy. It expands two income tax credits and extends their sunsets. It also expands three income tax credits without changing their respective sunsets.