

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

<b>Bill Number:</b>	SB 859
<b>Revenue Area:</b>	Paid Leave Oregon
<b>Economist:</b>	Dae Baek
<b>Date:</b>	01/27/2025

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

**Measure Description:**

Authorizes the Director of the Employment Department to waive certain employer debts relating to the paid family and medical leave program. Applies the waiver to such debts due or paid on or after January 1, 2023. Takes effect on the 91st day following the adjournment sine die.

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2025-26	2026-27	2025-27	2027-29	2029-31
Paid Leave Oregon Trust Fund	- \$ 0.78	- \$ 0.28	- \$ 1.06	- \$ 0.62	- \$ 0.70

**Impact Explanation:**

Under current law governing the Paid Leave Oregon program, the Oregon Employment Department (OED) only has the authority to waive penalties or interest owed by benefit recipients, not debts owed by employers. This measure authorizes the OED to waive certain employer debts. Such debts include uncollectible contributions, penalties, interest, or equivalent plan application fees due on or after January 1, 2023.

Eligible employers started contributing to the program in January 2023. The short history of the program makes it difficult to establish a usable waiver rate in relation to the contributions. Drawing on Oregon’s Unemployment Insurance program experience, an estimated 0.027% of the contributions is used for the waiver rate in this analysis.

For fiscal years and biennia, the revenue impact captures the expected amount of employer debts to be waived by applying the waiver rate. However, FY 2025-26 reflects one additional element - the waived amounts from the debts accumulated in the fiscal years 2023-25.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No