

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

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| Bill Number: | SB 694 |
| Revenue Area: | Personal Income Tax |
| Economist: | Kyle Easton |
| Date: | 3/10/2025 |

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

Measure Description:

Increases value of Oregon’s child tax credit to \$1,200 per qualifying dependent under the age of six. Increases income qualification limit to \$35,000 and expands income phase-out to \$35,000 to \$45,000. Aligns inflation adjustment period to reflect increases in credit amount and income qualification/phase-out. Applies to tax years beginning on or after January 1, 2026.

Revenue Impact:

This statement is for the purpose of moving the bill to the Senate Committee on Finance and Revenue. A full revenue impact analysis will be conducted as the bill is considered in that committee.

Initial preliminary revenue impact analysis indicates that expanding Oregon’s child tax credit as proposed would change General Fund revenue by about -\$30 to -\$35 million per year.

Impact Explanation:

Measure increases the value and expands qualification for Oregon’s child tax credit (CTC). Under current law, Oregon’s inflation adjusted CTC is expected to be \$1,050 or \$1,100 per qualifying dependent for tax year 2026. Measure increases credit value to \$1,200. Increasing the income qualification limit to \$35,000 and widening the income phase-out range to \$10,000 (up from \$5,000) will increase the number of Oregon taxpayers qualifying for the credit.

Creates, Extends, or Expands Tax Expenditure: Yes No

Further Analysis Required