REVENUE IMPACT OF PROPOSED LEGISLATION

83rd Oregon Legislative Assembly
2025 Regular Session
Legislative Revenue Office

Bill Number:	**SB 122**
Revenue Area:	**Personal Income Tax**
Economist:	**Kyle Easton**
Date:	**4/10/2025**

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Extends the sunset of the manufactured dwelling park closure credit by six years, from January 1, 2026, to January 1, 2032.

Revenue Impact: Minimal, see impact explanation.

Impact Explanation:

The Manufactured Dwelling Park Closure Credit is a $5,000 refundable personal income tax credit available to owners of a manufactured dwelling where the dwelling was the owner's principal residence and the dwelling park is being closed and the rental agreement is being terminated by the landlord, or because of the exercise of eminent domain by order of a federal, state, or local agency. The $5,000 amount of the credit is reduced by any amount that was paid to the individual as compensation for the exercise of eminent domain. If more than one individual in a household qualifies for the credit, the amount of the credit is shared in proportion to each qualifying individual's respective gross income for the tax year.

Use of this credit is correlated with manufactured park closures. The high point of credit use occurred in 2007 when nearly 250 taxpayers claimed a total of about $800K in credits. From 2003 through 2008, Oregon experienced a relatively higher period of manufactured park closures with 2007 being the peak year in which 16 parks closed containing 1,040 spaces. Since 2010, use of the credit has been minimal. The total combined reduction in General Fund revenue since 2010 has been less than $100K. While the baseline impact on General Fund revenue is expected to be minimal, should a period of increased park closures occur, use of this credit could increase leading to reductions in General Fund revenue.

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

The policy purpose of this measure is to mitigate the costs to manufactured dwelling park households that are forced to move due to instances where market forces and development are causing closure of the manufactured dwelling park.