

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

Bill Number:	SB 1094 - A
Revenue Area:	Property Tax
Economist:	Beau Olen
Date:	6/9/2025

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

Measure Description:

Provides a property tax credit of up to \$2,050 for the homestead of a qualifying resident on active-duty military service. Provides a property tax credit of up to \$475 for the homestead of a qualifying disabled veteran or surviving spouse of a veteran, or a credit of up to \$575 for a resident who qualifies due to service-connected disability ratings, including if they reside in a nonprofit home for elderly persons. Increases maximum credit amounts by three percent per year. Caps credit amounts an individual resident may receive at the amount of non-bond taxes due on the property. Allows qualifying residents to exit current property tax exemption programs for such homesteads and enter new property tax credit programs. Disallows new participants in exemption programs for such homesteads after tax year 2025-26. Property tax credits apply to tax years 2026-27 and later.

Revenue Impact:

The credit amounts of up to \$2,050 for a resident on active-duty military and up to \$475 or up to \$575 for a disabled veteran or surviving spouse of a veteran are designed to be revenue neutral compared to continued use of the current exemption programs, meaning no net revenue impact on local governments overall.

Impact Explanation:

Currently, the available assessed value (AV) exemption amount for active-duty military is \$108,367 for the 2024-25 tax year. A portion of this exemption amount will not be used when homestead AV is less than \$108,367 (e.g., manufactured structure). For a disabled veteran or surviving spouse of a veteran, the available AV exemption amount is \$25,537 for the 2024-25 tax year or \$30,646 for those who qualify due to service-connected disabilities. Disabled veterans or surviving spouses of veterans may also qualify for these exemption amounts if they reside in a nonprofit home for elderly persons. All these exemption amounts—\$108,367, \$25,537, and \$30,646 for the 2024-25 tax year—increase by three percent per year.

Under the measure, the three percent annual growth of the credit amounts will help maintain overall revenue neutrality compared to continued use of the current exemption programs. However, the credits will not be revenue neutral for all qualifying residents. First, since the credit amounts are capped by the amount of non-bond taxes due on the property, a qualifying resident who pays bond taxes may receive a credit that is lower than the face value of the credit (\$2,050, \$475, or \$575). This increases the likelihood that the credits will provide a lower benefit than current exemptions. Second, a qualifying resident on active-duty military who received an exemption for \$108,367 of AV will receive a lower benefit under the credit of up to \$2,050. Credit amounts are based on actual AV exemption amounts, including when homestead AV was too low to have received an exemption for \$108,367 of AV (e.g., manufactured structure). For comparison, the credit amount would be up to \$2,150 if it is based on an exemption for \$108,367 of AV.

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

Active-Duty Military—The policy purpose of this measure is to recognize active-duty military for their current full-time military service for the country.

Disabled Veterans or Surviving Spouses of Veterans—The policy purpose of this measure is to recognize disabled veterans or the surviving spouses of veterans for their military service and sacrifices made for the country.