

HB 4052 STAFF MEASURE SUMMARY

Carrier: Rep. Reschke

House Committee On Revenue

Action Date: 02/18/26

Action: Do Pass.

Vote: 7-0-0-0

Yea: 7 - Hudson, Levy B, Marsh, Nathanson, Reschke, Smith G, Walters

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Prepared By: Jonathan Hart, Economist

Meeting Dates: 2/4, 2/18

WHAT THE MEASURE DOES:

Creates a corporate income tax credit for Oregon-chartered banks that are new to the state. Applies to banks in the first three years they do business in Oregon. Does not include banks formed by merger or conversion that has filed an Oregon tax return in a previous year. Sets the amount of the credit at the amount of tax that would otherwise be due, with a maximum of \$1 million per year. Allows unused credit to be carried forward up to three tax years. Requires Department of Consumer and Business Services to provide information to the Department of Revenue about banks eligible for the credit. Applies to banks that commence business in Oregon in tax years beginning on or after January 1, 2027 and before January 1, 2033. Takes effect 91st day after sine die.

ISSUES DISCUSSED:

- Bank branch closures
- Time since Oregon had a new bank chartered
- Costs of starting new banks
- Role of banks in communities

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Congressional Research Service [reports](#) that nationally, assets held by banks have increased but the number of banks has decreased since the 1980s. The decline is a result of consolidation through mergers and acquisitions, as well as failures. The formation of new banks has declined significantly after the 2007-2009 financial crisis, though nationally applications for new bank charters have more recently increased.

The Department of Consumer and Business Services, Division of Financial Regulation [lists](#) twelve state chartered banks, with the most recent being listed as chartered in 2006.