

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Sixth Oregon Legislative
Assembly
2011 Regular Session
Legislative Revenue Office

Bill Number: HB 2071
Revenue Area: Income Taxes
Economist: Chris Allanach
Date: 2/15/2011

Measure Description: Grants rule making authority to the Department of Revenue to require paid tax preparers and corporations to file electronic returns if they are required to do so for their federal returns. Allows the department to establish exceptions to these rules. Applies to tax years beginning on or after January 1, 2011.

Revenue Impact (in \$Millions): A minimal revenue loss or gain of less than \$50,000.

Impact Explanation: The Department of Revenue has found that electronic returns tend to be, on average, more accurate than paper returns while costing less to process. Errors that taxpayers make on tax returns may result in a tax liability that is either higher or lower than that required by statute. Electronic filing helps minimize these errors. For example, an electronic return could result in a lower tax liability if the software alerts a taxpayer to a deduction or credit that they would not have otherwise known they could take. Conversely, an electronic return could result in a higher tax liability by correctly calculating the amount of a given deduction or credit.

Creates, Extends, or Expands Tax Expenditure: Yes No