

**A-Engrossed
House Bill 2002**

Ordered by the House May 2
Including House Amendments dated May 2

Sponsored by Representatives GALLEGOS, KOTEK; Representatives FAGAN, FREDERICK, GORSEK,
GREENLICK, KOMP

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Directs Legislative Revenue Officer to submit report for each [*measure that extends sunset of tax credit or creates new*] tax credit **scheduled to expire in following even-numbered year**. Provides that report is to be submitted **prior to beginning of each odd-numbered year regular session** to committee related to revenue and is to analyze policy impacts and goals of [*existing or new*] credit.

[*Applies to measures introduced in odd-numbered year regular sessions beginning on or after January 1, 2015.*]

A BILL FOR AN ACT

1
2 Relating to analysis of tax credit legislation.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS chapter 315.**

5 **SECTION 2. (1) Prior to the beginning of each odd-numbered year regular session, the**
6 **Legislative Revenue Officer shall submit a report addressing each income or excise tax credit**
7 **that is scheduled to expire during the next even-numbered year. The Legislative Revenue**
8 **Officer shall submit the report to a committee of the Legislative Assembly related to re-**
9 **venue, and may include information related to other tax credits in the report at the direction**
10 **of an interim committee related to revenue. In preparing the report, the Legislative Revenue**
11 **Officer shall seek input from the Department of Revenue, the Legislative Fiscal Officer and**
12 **state agencies involved in administering any given credit.**

13 **(2) The report required in subsection (1) of this section shall set forth:**

14 **(a) The stated public policy purpose, if any, of the credit.**

15 **(b) The expected timeline for achieving the public policy purpose, if a timeline exists.**

16 **(c) The best means of measuring achievement of the public policy purpose.**

17 **(d) The taxpayers or other entities or individuals that directly benefit from allowance of**
18 **the credit and whether the credit is intended to benefit particular targets.**

19 **(e) The effectiveness of the credit in benefiting its targets and any evidence that dem-**
20 **onstrates its impact on its targets.**

21 **(f) The expected results if the credit is allowed to expire under current law and any po-**
22 **tential results of making incremental changes in the value of the credit rather than allowing**
23 **it to expire.**

24 **(g) Background information on the effect of similar credits allowed in other states.**

25 **(h) Information regarding whether use of a tax credit is an effective and efficient way**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **to achieve the stated policy goal.**

2 **(i) The administrative and compliance costs associated with the credit.**

3 **(j) Analysis of whether a direct appropriation might achieve the stated public policy**
4 **purpose of the credit more efficiently.**

5 **(k) What other incentives, including state or local subsidies or federal tax expenditures**
6 **or subsidies, are available in this state that have a similar policy purpose.**

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