

Legislative Work Group Exemption/Taxation of Nonprofits

Presented to House Interim Committee on Revenue
LRO - 5/23/2016

Legislative Work Group

- Examination of taxation/exemption(s) of nonprofit property with emphasis on ORS 307.130 – Literary, Charitable and Scientific Organizations exemption
- Impetus for Work Group
 - Address existing and potential inconsistencies in administration
 - Reduce administrative costs and/or litigation
 - Potential policy changes
 - Related 2015 Legislative Session
 - HB 2690 – Nonprofit home builders building low income housing
 - HB 2171 – Expand and clarify existing exemption available to nonprofit history or science museums

Legislative Work Group

- LRO Publication
 - General background of topic
 - Development of ORS 307.130 dataset (“unpacking” of exemption)
 - Background of other states
- Work Group Members:
 - Senators: Boquist & Riley
 - Representatives: Bentz & Lininger

Nonprofit Property Tax Exemptions

TE #	Oregon Statute	Statute Name	2015-17 Revenue Loss
2.083	307.130	<i>Property of art museums, volunteer fire departments or literary, benevolent, charitable and scientific institutions</i>	\$194.4
2.085	307.140	Property of religious organizations	\$113.5
2.001	307.145	Certain child care facilities, schools and student housing	\$35.3
2.066	308.805	Mutual and cooperative electric distribution systems subject to tax on gross earnings	\$20.2
2.106	307.541	Nonprofit corporation low income housing	\$18.6
2.084	307.136	Property of fraternal organizations	\$15.2
2.027	307.242	Property of nonprofit corporation providing housing to elderly persons	\$3.6
2.028	307.485	Farm labor camp and child care facility property	\$0.6
2.096	307.471	Student housing exempt from school district taxes	\$0.4
2.059	307.115	Property of nonprofit corporations held for public parks or recreation purposes	\$0.3
2.065	307.210	Property of nonprofit mutual or cooperative water associations	\$0.3
2.108	307.370	Property of nonprofit homes for elderly persons	\$0.3
New	307.513	Land Held by Nonprofit Corporation for Building Residences for Low Income Individuals	\$0.3
2.007	307.147	Senior services centers	\$0.2
2.002	307.195	Household furnishings owned by nonprofit organization furnishing housing for students attending institutions of higher education	\$0.1
2.077	307.197	Equipment used for certain emergencies in navigable waters	\$0.1
2.045	307.118	Wastewater and sewage treatment facilities	<\$.1
2.086	307.157	Cemetery land acquired by eleemosynary or charitable institution	<\$.1
2.119	308.490	Determining value of homes for elderly persons	<\$.1
2.067	307.220	Property of nonprofit mutual or cooperative telephone associations	\$0.0
2.090	307.022	Status of limited liability companies owned by nonprofit corporations	Incl. in other TEs
2.088	307.112	Property held under lease, sublease or lease-purchase by institution, organization or public body other than state	Incl. in other TEs
2.089	307.166	Property leased by exempt institution, organization or public body to another exempt institution, organization or public body	Incl. in other TEs
2.075	554.320	Corporations for irrigation, drainage, water supply or flood control	Incl. in other TEs

Note: TE # and revenue loss estimates sourced from 2015-17 Tax Expenditure Report