

# D R A F T

## SUMMARY

Modifies definition of “tax expenditure” applicable to automatic tax expenditure sunset provisions by excluding provisions required by federal law.

Requires Department of Revenue and Legislative Revenue Office to conduct study of statutory definition of tax expenditures and operation of automatic sunset provisions applied to tax expenditures. Requires department and office to report results of study to Legislative Assembly no later than April 1, 2021.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to tax expenditures; creating new provisions; amending ORS 315.037;  
3 and prescribing an effective date.

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

5 **SECTION 1.** ORS 315.037 is amended to read:

6 315.037. (1) As used in this section, “tax expenditure” has the meaning  
7 given that term in ORS 291.201, **except that “tax expenditure” does not**  
8 **include any provision of state law required under federal law.**

9 (2) Any tax credit enacted by the Legislative Assembly on or after Janu-  
10 ary 1, 2010, shall apply for a maximum of six tax years beginning with the  
11 initial tax year for which the credit is applicable, unless the Legislative  
12 Assembly expressly provides for another period of applicability.

13 (3) Any tax expenditure enacted by the Legislative Assembly on or after  
14 January 1, 2014, shall apply for a maximum of six tax years beginning with  
15 the initial tax year for which the tax expenditure is applicable, unless the  
16 Legislative Assembly expressly provides for another period of applicability.

17 **SECTION 2.** (1) **The Department of Revenue and the Legislative**

1 **Revenue Office shall conduct a study on the statutory definition of tax**  
2 **expenditures and the operation of automatic sunset provisions applied**  
3 **to tax expenditures. The study may make recommendations for pro-**  
4 **posed legislation related to tax expenditures.**

5 **(2) No later than April 1, 2021, the department and the office shall**  
6 **report the results of the study to a committee of the Legislative As-**  
7 **sembly related to revenue.**

8 **SECTION 3. Section 2 of this 2019 Act is repealed on January 2, 2022.**

9 **SECTION 4. This 2019 Act takes effect on the 91st day after the date**  
10 **on which the 2019 regular session of the Eightieth Legislative Assem-**  
11 **bly adjourns sine die.**

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