

HB 2433 -6, -8 STAFF MEASURE SUMMARY

Joint Committee On Tax Expenditures

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Meeting Dates: 6/10, 6/11, 6/14

WHAT THE MEASURE DOES:

Requires the Legislative Revenue Officer to study state and local tax systems and report findings to interim Revenue Committee by September 15, 2022. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-6 Replaces content of measure.

Extends sunsets of several tax expenditures by six years: child with a disability credit, severe disability credit, University Venture Development Fund contributions credit, Oregon Life and Health Insurance Guaranty Association credit, Oregon Veterans' Home physician credit, and Greenlight Oregon film production labor rebate and labor rebate subtraction. Extends sunsets and modifies several tax expenditures including: rural medical providers credit, working family household and dependent care credit, individual development account contribution credit, and film production and development contributions credit. Allows otherwise qualified resident or nonresident individual to claim Oregon earned income tax credit using Individual Taxpayer Identification Number in lieu of Social Security Number. Increases maximum amount of agriculture workforce housing tax credits that may be issued, from \$3.625 million per year to no more than \$16.75 million in total potential credits claimed in a biennium. Makes modifications to affordable housing lender credit including increasing limit of total amount of outstanding affordable housing lender tax credits allowed in any fiscal year from \$25 million to \$35 million. Enacts express sunset for exemption of medical marijuana from retail marijuana tax. Exempts barracks and other military quarters from transient lodging tax. Creates personal income tax subtraction from federal taxable income for amounts received as AmeriCorps national service educational awards.

-8 Allows taxpayer to claim, on their 2021 income tax return, a refund of overpaid personal income tax resulting from a tax year 2020 federal recovery rebate payment or credit received that reduced taxpayer's income tax subtraction for federal taxes paid. Specifies refunds are to be paid with interest. For tax year 2021, specifies that personal income taxpayer may not take into account any amount of the 2021 federal recovery rebate credit when computing taxpayer's income tax subtraction for federal taxes paid.

BACKGROUND:

Measure makes changes to multiple tax expenditures and is the tax expenditure omnibus measure of 2021. Many of the changes are sunset extensions of tax credits that are scheduled to sunset during the 2021-23 biennium. Measure also extends sunsets and makes modifications to existing tax expenditures. Measure enacts express sunset for exemption of medical marijuana from retail marijuana tax. Measure creates a new income tax subtraction for taxpayers that receive and use AmeriCorps national service educational awards.