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REVENUE IMPACT OF PROPOSED LEGISLATION
2003 72nd Oregon Legislative Assembly

BILL NUMBER	REVENUE AREA	ECONOMIST	DATE
HB 2152 B	State Finance	Warner	8/19/03

MEASURE DESCRIPTION: Imposes temporary income tax assessment with rates ranging from 1 to 9%. Alters income tax treatment of the elderly medical deduction and depreciation of SUVs purchased for business purposes. Establishes new corporate minimum tax based on business sales. Changes corporate income tax treatment of extraterritorial income and dividends paid by subsidiaries. Proportionally reduces most corporate income tax credits by 20% for 3 years. Reduces discount allowed for early payment of property taxes. Establishes provider tax on nursing homes. Imposes assessment on prepaid managed health care organizations based on premiums. Extends sunset on 10 cent per pack temporary cigarette tax.

REVENUE IMPACT:

	<u>2003-05</u> (millions)	<u>2005-07</u> (millions)
General Fund	\$ 792.0	\$ 311.5
Income Tax Assessment (3 Yrs)	\$ 544.6	\$ 156.7
OR Elderly Medical Deduction	\$ 42.0	\$ 44.5
Treatment of SUV Depreciation	\$ 4.7	\$ 4.3
Extraterritorial Income	\$ 18.0	\$ 18.0
Corporate Tax Credit Reduction	\$ 16.4	\$ - 8.7
New Graduated Corp. Minimum Tax	\$ 73.4	\$ 76.3
Reduction in Corp. Dividend Subtraction	\$ 38.4	\$ 21.9
Property Tax Discount Rate Reduction	\$ 43.0	\$ 0
Long-term Care Provider Tax	\$ 12.5	\$ 0
Sunset extension on \$.10 cigarette tax	\$ - 1.0	\$ -1.5
Other Funds		
Cigarette Tax		
Health Plan	\$ 23.4	\$ 10.2
TURA	\$ - .16	\$ - .07
Long-Term Care Provider Tax	\$ 38.9	\$ 77.9
Managed Care Assessment	\$ 34.0	\$ 54.4
Federal Funds		
Long-term Care Provider Tax	\$ 58.7	\$ 117.7
Managed Care Assessment	\$ 51.0	\$ 81.6
Local Government		
Property Tax Discount Rate Reduction		
School Districts	\$ 0	\$ 36.5
All Other Taxing Districts	\$ 0	\$ 54.6
Cigarette Tax (Cities, Counties, Transit)	\$ - 0.3	\$ - 0.14

