



NEWS

Oregon Legislature - House Democratic Caucus

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House Democrats Achieve Key Priority by Reining in Tax Credits

HB 3672 slashes spending to save over \$360 million through 2017

SALEM – The Oregon House today passed a sweeping bill reining in twenty tax credits. HB 3672 will save \$368 million between now and 2017. Getting control over the rapid growth of tax expenditures is a top priority of House Democrats.

In 2009, House Democrats passed HB 2067, which created an orderly review process for all Oregon tax credits. As a result, this year twenty credits were up for review. The process will continue over the next two biennia.

“When I carried HB 2067, I promised that we would examine each of these credits on their merits, and begin the process of treating our tax expenditures like we treat our budget expenditures,” said Rep. Bailey, the Co-Chair of the Joint Tax Credit Committee. “The final product represents a dramatic scaling back of Oregon’s tax credit gravy train while protecting our investments in clean energy and job creation.”

Ten of the twenty credits under review were not extended in HB 3672. Most other credits have been extended six years, until 2018. If all existing tax credits under consideration during the 2011 session had been extended, the revenue impact to the General Fund would have been \$40 million in 2011-13, \$170 million in 2013-15, and \$294 million in 2015-17. Under HB 3672, the revenue impact is limited to \$10 million in 2011-13, \$53 million in 2013-15, and \$73 million in 2015-17.

“This is hard work, since it is very hard to distinguish between good tax credits and wasteful ones,” said Representative Tobias Read (D-Beaverton), Co-Chair of the House Transportation and Economic Development Committee and member of the Joint Tax Credit Committee. “This bill finds the sweet spot, continuing investments in research and development, clean energy and film by getting more out of each dollar we spend.”

HB 3672 now moves to the Senate for consideration.

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