



2025 OREGON PUBLIC FINANCE: BASIC FACTS

Report #1-25
January 21, 2025

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Sources: The data for the tables in this document come from a variety of sources. The largest single source of data is the Oregon Department of Revenue. Other sources include: The Departments of Education, Forestry, Transportation, Employment, Consumer and Business Services, Administrative Services; the Oregon Lottery, the Oregon Liquor and Cannabis Commission and a number of local governments.

2025 Organizational Chart

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SECTION A - OVERVIEW OF OREGON'S REVENUE SYSTEM

Comparative Analysis

The most comprehensive way to compare Oregon's current revenue system with other states is to examine the most recent U.S. Census Bureau statistics on state and local government finance. These data include all state and local revenue sources (and expenditures) collected on a consistent basis from all states. The most recent data are for fiscal years ending between July 1, 2021 and June 30, 2022; they do not include the impact of any policy changes effective after that time period.

Census divides state and local revenue sources into six categories. These categories are:

- Taxes
- Revenue from the Federal Government
- Charges—consisting of direct payments for services from governments. The largest components of this category are higher education (tuition & fees) and payments for health-hospital services.
- Miscellaneous Revenue—the largest component of this category is interest earnings on government balances. Also included in this category are asset sales, system development charges and net revenue from lottery.
- Government Enterprises—consisting of gross revenue from government operated enterprises such as liquor sales and public utilities.
- Insurance Trust Revenue—is made up of current revenue generated by public employee retirement funds (mostly earnings on retirement funds), state operated workers' compensation funds and unemployment trust funds.

The Census combines all these sources to get total revenue for the state and local revenue system. Insurance trust revenue and gross revenue from government enterprises are subtracted to get general revenue. General revenue is a better gauge of revenue available for provision of public services because most enterprise revenue goes back into the operation and trust revenue is for specific future beneficiaries such as unemployed workers and public retirees. Finally, the Census Bureau defines own-source revenue as general revenue minus transfers from the federal government. This measure is the best overall reflection of the state and local government revenue burden borne by the residents of a state.

Census data for Oregon's fiscal year 2022 revenue categories can be found in Exhibit A-1. The information is presented in a dollar per person format with Oregon's rank among the 50 states. A rank of 50 means lowest per capita revenue.

On a total revenue basis, Oregon ranks 11th among the states. However, this measure includes insurance trust revenue and gross government enterprise revenue, both of which are not generally available for the provision of public goods and services. General revenue (excluding the insurance trust and government enterprise categories) provides a better indication of revenue available to fund public services in the current year. In this category, Oregon state and local governments received \$15,454 per person during FY22, also resulting in a rank of 11th. Own source revenue (general revenue minus transfers from the federal government) totaled \$10,758 per person, a ranking of 12th.

EXHIBIT A-1
All State and Local Government Revenue, Per Capita

| | \$ Per Person | State Ranking |
|---------------------------|---------------|---------------|
| SUMMARY CATEGORIES | | |
| Total Revenue | \$16,109 | 11 |
| General Revenue | \$15,454 | 11 |
| Own-Source Revenue | \$10,758 | 12 |
| REVENUE SOURCES | | |
| Taxes | \$6,938 | 19 |
| Federal | \$4,696 | 11 |
| Charges | \$2,660 | 8 |
| Miscellaneous | \$1,159 | 9 |
| Government Enterprises | \$655 | 13 |
| Insurance Trust Revenue | \$2,014 | 8 |

Exhibit A-1 also breaks down Oregon's revenue sources by category. Taxes comprise 45% of Oregon general state and local revenue. Oregon state and local governments collected \$6,938 per person in taxes in FY22, an increase of 7% from the prior year. Despite this growth, Oregon's ranking fell from 17th to 19th in overall per person tax burden. Oregon ranks 11th among the states with \$4,696 in federal revenue (this category does not include federal revenue going directly to individuals such as Social Security benefits); this is an increase from the prior year ranking of 22nd. Oregon is relatively dependent on charges for services, ranking 8th with \$2,660 in per person revenue. The charges category covers a large number of fees and charges for government services at the state and local level. The largest are charges for hospitals (31% of total charges) and higher education (18% of total charges). Oregon also ranks in the upper half of states in miscellaneous revenue at 9th. The state's extensive use of lottery revenue contributes to this ranking. Oregon ranks 8th in insurance trust revenue. The state's relative ranking tends to move up and down with changing financial market conditions because Oregon's retirement funding system is highly dependent on financial market returns.

Exhibit A-2 focuses on Oregon taxes. Taxes play a particularly important role in state and local revenue systems because they are the primary source of revenue for general public goods such as education and public safety. Taxes also potentially have the largest impact on economic activity because they represent a direct extraction of resources from the private sector for use by the public sector.

EXHIBIT A-2
Oregon's Tax Revenue, Per Capita

| | \$ Per Person | State Ranking |
|-----------------------|---------------|---------------|
| Total Taxes | \$6,938 | 19 |
| Personal Income Tax | \$2,812 | 6 |
| Corporate Income Tax | \$407 | 16 |
| General Sales Tax* | \$287 | 48 |
| Selective Sales Taxes | \$819 | 13 |
| Property Tax | \$1,890 | 22 |
| Other Taxes | \$724 | 10 |

* The Corporate Activity Tax, per Census categorization.

The state personal income tax burden is among the highest in the nation at \$2,812 per person, ranking 6th. The ranking for corporate income taxes is 16th at \$407 per person. This measure includes only corporate taxes based on income and excludes other business-related taxes. The property tax burden in Oregon is right at the middle among the states at 22nd. The state tax burden on consumption (general sales plus selective sales) is the fifth lowest in the country at \$1,106 per person, above only Alaska, Montana, New Hampshire, and Delaware. While Oregon is one of only four states without any general sales tax, the Census includes taxes such as the Corporate Activity Tax as a general sales tax. Oregon ranks 13th in selective sales tax collections per person. Selective sales taxes include gasoline taxes, tobacco taxes, alcoholic beverage taxes, real estate transfer taxes and other excise taxes on specific purchases. It also includes health provider taxes which have risen in Oregon and other states in recent years.

Another way to look at this same comparative revenue data is to divide the revenue amounts by total state resident income instead of population. This measure accounts for the size of the state economy rather than simply population size. In some cases, the two measures can give very different rankings. For example, the state of Mississippi ranks near the bottom (49th) of the states in tax collections per capita but above the median (ranked 23rd) as a percentage of resident income because the state's per capita income is relatively low. Exhibit A-3 shows the Oregon FY22 total revenue data as a percentage of state personal income.

EXHIBIT A-3
All State and Local Government Revenue, Percent of Income

| | % of Personal Income | State Ranking |
|---------------------------|----------------------|---------------|
| SUMMARY CATEGORIES | | |
| Total Revenue | 25.1% | 11 |
| General Revenue | 24.1% | 11 |
| Own-Source Revenue | 16.8% | 8 |
| REVENUE SOURCES | | |
| Taxes | 10.8% | 17 |
| Federal | 7.3% | 15 |
| Charges | 4.1% | 9 |
| Miscellaneous | 1.8% | 7 |
| Government Enterprises | 1.0% | 10 |
| Insurance Trust Revenue | 3.1% | 7 |

When using the percentage of personal income, Oregon's general ranking is about the same across categories, some a few places higher and others a few places lower. Oregon's ranking in general revenue remained at 11th, while own source revenue climbs to 8th. Oregon's ranking in overall taxes as a percentage of personal income increases to 17th, two slots higher than the per capita basis.

Exhibit A-4 is analogous to Exhibit A-2 but is based on the percentage of personal income for state and local taxes. Both the personal income tax and the property tax burden appear higher on a percentage of personal income basis. Personal income taxes at 4.4% of personal income ranks 5th highest among the states. For property taxes, Oregon ranks 17th on a percentage of personal income basis, up five notches from its per capita ranking. The state ranks 16th in corporate income tax collections on a percentage of income basis.

EXHIBIT A-4
Oregon's Tax Revenue, Percent of Income

| | % of Personal Income | State Ranking |
|-----------------------|----------------------|---------------|
| Total Taxes | 10.8% | 17 |
| Personal Income Tax | 4.4% | 5 |
| Corporate Income Tax | 0.6% | 16 |
| General Sales Tax* | 0.4% | 48 |
| Selective Sales Taxes | 1.3% | 14 |
| Property Tax | 2.9% | 17 |
| Other Taxes | 1.1% | 12 |

* The Corporate Activity Tax, per Census categorization.

The comparative analysis based on the 2022 U.S. Census data can be summarized as follows:

- On a per capita basis, Oregon's general revenue ranks 11th, while own-source revenue ranks 12th.
- As a percentage of total state personal income, Oregon's general revenue ranks 11th, while own source revenue ranks 8th.

- Oregon's taxes are higher than the national average. They are 19th highest on a per capita basis and 17th highest on a percentage of income basis.
- Oregon's total revenue is 11th highest when measured on either a per capita basis or as a percentage of personal income. However, total revenue includes earnings from trust accounts such as the public employee retirement system. These revenue sources are not a good indicator of revenue available for public services because they are obligated to beneficiaries. Trust fund earnings are also highly dependent on short term financial market conditions and therefore very volatile.
- Oregon's personal income tax burden is among the highest in the country - 6th as measured on a per capita basis and 5th as a percentage of personal income.
- Oregon's consumption tax burden (general sales plus selective sales taxes) is among the lowest in the country (47th).
- Oregon's property tax burden is just above the middle among states while the corporate income tax burden is in the top 20.

Oregon's Revenue System over Time

Exhibit A-5 displays Oregon's relative ranking among the states over time for total taxes and the major taxes the state revenue system has traditionally relied upon to fund public services. Throughout the past three decades, Oregon has consistently ranked high among the states in personal income taxes. The state had consistently ranked near the middle in corporate income taxes, but that has increased in recent years. Oregon's property tax ranking among the states declined to the middle during the 1990s as voter approved initiatives (Measures 5 and 50) limited revenue growth. Since then, they have stayed near the middle on a per capita basis but have been slightly above the middle when measured as a percent of income. Oregon's overall tax burden dropped from the upper half among the states (prior to 1995) to the lower half until roughly 2013. Over the most recent years, the tax burden has been close to or just above the middle of the states, edging its way back into the top half. In FY22, total taxes moved down in the rankings by four and two spots, respectively, as a percentage of income and per capita bases. Not shown on the table is the state's overall consumption tax burden (general sales taxes plus selective sales taxes), which currently ranks near the bottom among the states.

EXHIBIT A-5

Historical Ranking of Oregon Taxes

| Year* | Total Taxes | | Personal Income Taxes | | Corporate Income Taxes | | Property Taxes | |
|---------|-------------|------------|-----------------------|------------|------------------------|------------|----------------|------------|
| | % of Income | Per Capita | % of Income | Per Capita | % of Income | Per Capita | % of Income | Per Capita |
| 1987-88 | 19 | 27 | 7 | 8 | 28 | 26 | 3 | 8 |
| 1988-89 | 10 | 21 | 3 | 6 | 35 | 35 | 4 | 7 |
| 1989-90 | 13 | 19 | 3 | 6 | 32 | 33 | 5 | 7 |
| 1990-91 | 12 | 20 | 3 | 6 | 34 | 35 | 6 | 11 |
| 1991-92 | 13 | 22 | 2 | 7 | 37 | 36 | 8 | 12 |
| 1992-93 | 15 | 24 | 1 | 6 | 26 | 24 | 13 | 16 |
| 1993-94 | 18 | 24 | 2 | 4 | 24 | 19 | 15 | 16 |
| 1994-95 | 26 | 27 | 2 | 5 | 24 | 21 | 19 | 20 |
| 1995-96 | 37 | 32 | 2 | 7 | 29 | 25 | 24 | 26 |
| 1996-97 | 33 | 27 | 1 | 5 | 21 | 17 | 24 | 17 |
| 1997-98 | 41 | 33 | 1 | 5 | 32 | 31 | 25 | 28 |
| 1998-99 | 45 | 33 | 2 | 4 | 27 | 23 | 28 | 30 |
| 1999-00 | 39 | 29 | 2 | 4 | 18 | 17 | 25 | 29 |
| 2001-02 | 46 | 41 | 3 | 6 | 35 | 34 | 25 | 27 |
| 2003-04 | 42 | 32 | 2 | 5 | 24 | 22 | 28 | 22 |
| 2004-05 | 44 | 36 | 2 | 5 | 27 | 29 | 25 | 28 |
| 2005-06 | 38 | 34 | 2 | 5 | 29 | 32 | 27 | 30 |
| 2007-08 | 44 | 42 | 5 | 7 | 23 | 22 | 25 | 30 |
| 2008-09 | 42 | 39 | 3 | 5 | 38 | 38 | 24 | 28 |
| 2009-10 | 35 | 35 | 2 | 5 | 22 | 25 | 20 | 26 |
| 2010-11 | 31 | 30 | 2 | 5 | 20 | 20 | 25 | 19 |
| 2011-12 | 27 | 29 | 2 | 5 | 24 | 26 | 18 | 26 |
| 2012-13 | 26 | 28 | 2 | 7 | 24 | 27 | 18 | 26 |
| 2013-14 | 21 | 27 | 3 | 7 | 21 | 20 | 18 | 25 |
| 2014-15 | 21 | 25 | 2 | 8 | 17 | 20 | 18 | 25 |
| 2015-16 | 20 | 25 | 2 | 8 | 16 | 16 | 18 | 24 |
| 2016-17 | 22 | 24 | 2 | 7 | 13 | 13 | 21 | 28 |
| 2017-18 | 22 | 26 | 2 | 7 | 10 | 13 | 19 | 28 |
| 2018-19 | 19 | 21 | 2 | 7 | 12 | 15 | 17 | 24 |
| 2019-20 | 25 | 25 | 4 | 7 | 12 | 13 | 19 | 22 |
| 2020-21 | 13 | 17 | 3 | 8 | 14 | 14 | 19 | 23 |
| 2021-22 | 17 | 19 | 5 | 6 | 16 | 16 | 17 | 22 |

* Fiscal year ending between July 1 of first year and June 30 of the second year.

STATE REVENUE AND EXPENDITURES

Exhibits A-6, A-7, and A-8 provide some historical context to Oregon's revenue sources and budget expenditures. The history of Oregon's primary revenue collections from personal income taxes, corporate income taxes and property taxes are provided in Exhibit A-6. A listing of all taxes can be found in Exhibit A-7; it contains collections for the most recent two fiscal years as well as collections from ten years ago.

Recent state budget history is shown in Exhibit A-8. The table shows state General Fund revenue and expenditures and state All Funds revenue and expenditures for the 2013-15 to the 2025-27 biennia. The expenditure data are from various LFO Budget Highlights documents and the 2025-27 Governor's Budget.¹ General Fund revenue figures are from various Office of Economic Analysis forecasts. The All Funds revenues are taken from various Governor Budget reports.

¹ The Legislative Fiscal Office Budget Highlights are [here](#). The 2025-27 Governor's Budget is [here](#).

EXHIBIT A-6

HISTORY OF TAX COLLECTIONS - BY MAJOR TAX SOURCE

(millions of dollars)

| FISCAL YEAR | PERSONAL INCOME TAX | | CORPORATE INCOME TAX | | PROPERTY TAX | |
|----------------|---------------------|----------|----------------------|----------|--------------|----------|
| | Receipts | % Change | Receipts | % Change | Receipts | % Change |
| 1995-96 | 2,901.7 | 3.7% | 300.0 | -3.8% | 2,248.1 | -5.1% |
| 1996-97 | 3,401.7 | 17.2% | 384.4 | 28.1% | 2,527.9 | 12.4% |
| 1997-98 | 3,421.1 | 0.6% | 275.2 | -28.4% | 2,483.0 | -1.8% |
| 1998-99 | 3,702.0 | 8.2% | 313.9 | 14.1% | 2,449.1 | -1.4% |
| 1999-00 | 4,197.3 | 13.4% | 381.9 | 21.7% | 2,572.2 | 5.0% |
| 2000-01 | 4,539.7 | 8.2% | 373.0 | -2.4% | 2,933.9 | 14.1% |
| 2001-02 | 3,677.7 | -19.0% | 195.2 | -47.7% | 3,179.1 | 8.4% |
| 2002-03 | 4,021.9 | 9.4% | 224.9 | 15.2% | 3,351.9 | 5.4% |
| 2003-04 | 4,268.6 | 6.1% | 317.5 | 41.2% | 3,549.6 | 5.9% |
| 2004-05 | 4,723.0 | 10.6% | 323.3 | 1.8% | 3,687.2 | 3.9% |
| 2005-06 | 5,443.6 | 15.3% | 438.2 | 35.6% | 3,840.7 | 4.2% |
| 2006-07 | 5,596.7 | 2.8% | 405.9 | -7.4% | 3,996.0 | 4.0% |
| 2007-08 | 4,972.0 | -11.2% | 440.7 | 8.6% | 4,345.4 | 8.7% |
| 2008-09 | 5,118.6 | 2.9% | 243.8 | -44.7% | 4,525.1 | 4.1% |
| 2009-10 | 4,943.2 | -3.4% | 359.0 | 47.3% | 4,844.8 | 7.1% |
| 2010-11 | 5,524.0 | 11.7% | 468.6 | 30.5% | 4,940.5 | 2.0% |
| 2011-12 | 5,850.6 | 5.9% | 431.0 | -8.0% | 4,999.7 | 1.2% |
| 2012-13 | 6,255.6 | 6.9% | 452.9 | 5.1% | 5,094.9 | 1.9% |
| 2013-14 | 6,628.0 | 6.0% | 494.8 | 9.3% | 5,373.2 | 5.5% |
| 2014-15 | 7,330.3 | 10.6% | 621.8 | 25.7% | 5,644.3 | 5.0% |
| 2015-16 | 7,598.6 | 3.7% | 603.1 | -3.0% | 5,897.2 | 4.5% |
| 2016-17 | 8,457.3 | 11.3% | 607.7 | 0.8% | 6,177.0 | 4.7% |
| 2017-18 | 8,893.1 | 5.2% | 755.0 | 24.2% | 6,594.5 | 6.8% |
| 2018-19 | 9,930.3 | 11.7% | 997.8 | 32.2% | 7,071.9 | 7.2% |
| 2019-20 | 7,212.5 | -27.4% | 488.3 | -51.1% | 7,330.1 | 3.7% |
| 2020-21 | 12,794.0 | 77.4% | 1,478.6 | 202.8% | 7,713.0 | 5.2% |
| 2021-22 | 12,436.6 | -2.8% | 1,538.5 | 4.0% | 8,086.9 | 4.8% |
| 2022-23 | 13,246.9 | 6.5% | 1,618.5 | 5.2% | 8,496.4 | 5.1% |
| 2023-24 | 9,149.8 | -30.9% | 1,621.8 | 0.2% | 8,894.4 | 4.7% |

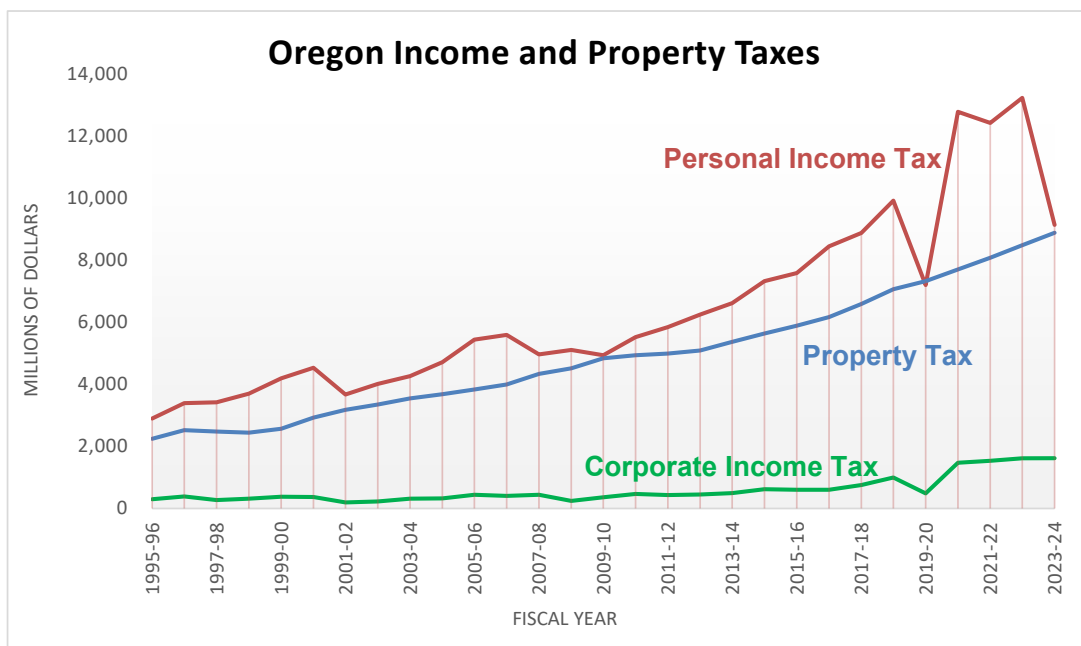


EXHIBIT A-7

SUMMARY OF OREGON TAX COLLECTIONS

| STATE TAXES | FY 2014 | FY 2023 | FY 2024 | y/y % change | % change since FY14 |
|--|-----------------|------------------|-----------------|-----------------|------------------------|
| PERSONAL INCOME TAX | \$6,649,032,232 | \$13,173,131,849 | \$9,172,438,238 | -30.4% | 38.0% |
| CORPORATE INCOME TAX | \$494,759,369 | \$1,606,646,089 | \$1,642,327,542 | 2.2% | 231.9% |
| CORPORATE ACTIVITY TAX | NA | \$1,338,528,887 | \$1,343,986,994 | 0.4% | |
| MEDICAL PROVIDER TAXES | \$434,726,034 | \$1,181,190,862 | \$1,262,668,992 | 6.9% | 190.5% |
| UNEMPLOYMENT INSURANCE TAXES | \$1,048,171,404 | \$1,197,515,608 | \$1,188,545,438 | -0.7% | 13.4% |
| PAID LEAVE OREGON TAX | NA | \$237,200,063 | \$841,485,428 | 254.8% | |
| GASOLINE AND USE FUEL TAXES | \$492,657,207 | \$669,523,637 | \$679,905,995 | 1.6% | 38.0% |
| WEIGHT MILE TAX | \$285,325,523 | \$459,444,318 | \$455,017,524 | -1.0% | 59.5% |
| ESTATE TAX | \$85,491,021 | \$297,572,322 | \$338,975,886 | 13.9% | 296.5% |
| CIGARETTE TAX | \$201,202,476 | \$328,216,544 | \$296,048,561 | -9.8% | 47.1% |
| MARIJUANA TAX | NA | \$142,088,093 | \$150,898,047 | 6.2% | |
| STATEWIDE TRANIST PAYROLL TAX | NA | \$132,688,225 | \$135,511,145 | 2.1% | |
| WORKERS' COMP INSURANCE TAXES | \$52,759,088 | \$95,608,731 | \$99,422,036 | 4.0% | 88.4% |
| INSURANCE TAXES | \$52,460,007 | \$138,446,770 | \$96,899,171 | -30.0% | 84.7% |
| OTHER TOBACCO PRODUCTS TAX | \$56,370,715 | \$90,050,238 | \$82,953,367 | -7.9% | 47.2% |
| EMERGENCY SERVICES (911) TAX | \$39,251,361 | \$79,416,977 | \$80,575,226 | 1.5% | 105.3% |
| OTHER LABOR TAXES | \$87,336,237 | \$70,512,566 | \$67,861,600 | -3.8% | -22.3% |
| COURT FEES, FINES & ASSESSMENTS | | \$48,416,445 | \$49,050,387 | 1.3% | |
| REAL ESTATE RECORDING | \$33,003,807 | \$48,221,569 | \$43,058,393 | -10.7% | 30.5% |
| STATE LODGING TAX | \$13,924,746 | \$41,638,062 | \$41,528,704 | -0.3% | 198.2% |
| VEHICLE DEALER PRIVILEGE TAX | NA | \$34,001,430 | \$34,000,638 | 0.0% | |
| BEER & WINE TAXES | \$17,462,776 | \$17,286,957 | \$20,661,505 | 19.5% | 18.3% |
| FOREST PRODUCTS HARVEST TAXES | \$14,922,588 | \$18,779,663 | \$19,361,416 | 3.1% | 29.7% |
| ELECTRIC COOP TAX | \$7,242,866 | \$12,613,105 | \$14,734,177 | 16.8% | 103.4% |
| SENIOR DEFERRED PROPERTY TAX | \$19,460,756 | \$17,082,890 | \$14,262,605 | -16.5% | -26.7% |
| VEHICLE USE TAX | NA | \$9,449,096 | \$11,336,445 | 20.0% | |
| HEAVY EQUIPMENT RENTAL TAX | NA | \$7,663,111 | \$8,020,098 | 4.7% | |
| AVIATION GAS AND JET FUEL TAXES | \$1,965,638 | \$6,125,537 | \$6,304,627 | 2.9% | 220.7% |
| COORDINATED CRISIS (988) TAX | NA | NA | \$6,196,179 | | |
| HAZARDOUS SUBSTANCE TAXES | \$2,860,572 | \$3,199,770 | \$3,278,864 | 2.5% | 14.6% |
| PHONE ACCESS SURCHARGE (RSPF) | \$5,991,833 | \$2,240,175 | \$3,118,031 | 39.2% | -48.0% |
| PETROLEUM LOADING FEE | \$1,539,088 | \$3,011,805 | \$3,030,398 | 0.6% | 96.9% |
| AMUSEMENT DEVICE TAX | \$2,706,626 | \$4,209,350 | \$2,725,184 | -35.3% | 0.7% |
| BICYCLE EXCISE TAX | NA | \$1,155,581 | \$740,986 | -35.9% | |
| TIMBER SEVERANCE TAXES | \$607,996 | \$707,107 | \$576,778 | -18.4% | -5.1% |
| PRIVATE RAIL CAR TAX | \$260,236 | \$247,753 | \$229,261 | -7.5% | -11.9% |
| BOXING TAX | \$48,570 | \$131,467 | \$110,095 | -16.3% | 126.7% |
| OIL & GAS SEVERANCE TAX | \$102,233 | \$0 | \$4,348 | | -95.7% |
| OTHER DOR COLLECTIONS | | \$53,610,235 | \$73,452,753 | 37.0% | |
| LOCAL TAXES | FY 2014 | FY 2023 | FY 2024 | y/y % change | % change since FY14 |
| PROPERTY TAXES ¹ | \$5,373,189,108 | \$8,496,447,377 | \$8,894,428,058 | 4.7% | 65.5% |
| TRANSIT PAYROLL & EMPLOYMENT TAXES | \$298,207,898 | \$529,448,832 | \$550,645,374 | 4.0% | 84.7% |
| FRANCHISE TAXES ² | \$257,878,000 | \$383,085,836 | \$390,923,808 | 2.0% | 51.6% |
| METRO SUPPORTIVE HOUSING SERVICES INCOME TAX | NA | \$336,608,626 | \$332,188,261 | -1.3% | |
| CLEAN ENERGY SURCHARGE | NA | \$182,907,454 | \$199,044,455 | 8.8% | |
| PORTLAND BUSINESS LICENSE TAX | \$81,020,110 | \$206,079,752 | \$185,875,825 | -9.8% | 129.4% |
| MULTNOMAH COUNTY INCOME TAX | NA | \$198,898,800 | \$180,105,646 | -9.4% | |
| MULTNOMAH COUNTY BUSINESS TAX | \$61,800,000 | \$161,505,390 | \$149,496,531 | -7.4% | 141.9% |
| MOTOR VEHICLE RENTAL TAX | \$27,435,000 | \$41,019,000 | \$43,646,000 | 6.4% | 59.1% |
| MOTOR FUEL TAXES | \$15,528,628 | \$33,932,232 | \$32,041,916 | -5.6% | 106.3% |
| LOCAL MARIJUANA TAX ³ | NA | \$22,382,364 | \$23,619,953 | 5.5% | |
| PORTLAND ARTS TAX | NA | \$11,890,771 | \$12,274,899 | 3.2% | |
| WASHINGTON COUNTY TRANSFER TAX | \$3,858,507 | \$6,827,410 | \$6,150,566 | -9.9% | 59.4% |
| OTHER TAXES ² | \$372,803,256 | \$545,026,463 | \$565,028,036 | 3.7% | 51.6% |

¹ Includes urban renewal taxes

² Estimates where actuals are not available

³ Local taxes collected by the Department of Revenue

EXHIBIT A-8
STATE BUDGET HISTORY: 2009-2025

| GENERAL FUND BUDGET (IN MILLIONS) | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| PROGRAM AREA | 2013-15 | 2015-17 | 2017-19 | 2019-21 | 2021-23* | 2023-25* | 2025-27* |
| EDUCATION | \$8,221.6 | \$9,275.0 | \$10,326.8 | \$10,693.3 | \$11,670.8 | \$12,967.5 | \$14,815.1 |
| HUMAN RESOURCES | \$4,266.0 | \$4,877.6 | \$5,304.9 | \$6,066.9 | \$7,652.8 | \$11,710.7 | \$13,611.1 |
| PUBLIC SAFETY | \$2,121.7 | \$2,360.9 | \$2,574.5 | \$2,786.7 | \$2,703.4 | \$4,290.7 | \$4,884.5 |
| ECON. & COMM. DEV. + CONS & BUS. SERV. | \$49.6 | \$75.4 | \$133.5 | \$521.4 | \$1,425.4 | \$1,227.6 | \$1,405.5 |
| NAT. RES. | \$233.4 | \$248.0 | \$299.0 | \$341.3 | \$892.2 | \$694.5 | \$695.4 |
| TRANS. | \$12.7 | \$22.1 | \$23.5 | \$63.5 | \$76.6 | \$83.4 | \$53.5 |
| ADMIN. | \$198.2 | \$233.9 | \$256.4 | \$524.0 | \$966.5 | \$604.8 | \$401.3 |
| LEGISLATURE | \$83.7 | \$89.2 | \$113.0 | \$138.8 | \$390.0 | \$237.2 | \$263.3 |
| JUDICIAL | \$650.5 | \$717.4 | \$761.4 | \$868.8 | \$622.7 | \$792.4 | \$844.2 |
| MISC. | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$284.7 | \$455.0 |
| TOTAL | \$15,837.4 | \$17,899.4 | \$19,792.9 | \$22,004.8 | \$26,400.3 | \$32,893.6 | \$37,428.9 |

Source: Budget Highlights (Various), Legislative Fiscal Office

* Governor's Budget, 2025-27

| GENERAL FUND RESOURCES (IN MILLIONS) | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2013-15 | 2015-17 | 2017-19 | 2019-21 | 2021-23 | 2023-25* | 2025-27* |
| BEGINNING BALANCE | \$ 475.7 | \$ 528.8 | \$ 1,000.4 | \$ 2,709.4 | \$ 4,082.5 | \$ 8,082.5 | \$ 2,786.0 |
| PERSONAL INCOME TAXES | \$ 13,920.2 | \$ 16,055.8 | \$ 18,823.3 | \$ 20,006.5 | \$ 25,683.5 | \$ 22,690.8 | \$ 30,287.9 |
| CORPORATE INCOME TAXES | \$ 1,116.5 | \$ 1,210.7 | \$ 1,752.7 | \$ 1,966.9 | \$ 3,157.0 | \$ 3,253.4 | \$ 3,439.8 |
| OTHER TAXES | \$ 452.9 | \$ 596.7 | \$ 672.6 | \$ 800.6 | \$ 912.7 | \$ 874.4 | \$ 979.4 |
| OTHER REVENUE | \$ 577.3 | \$ 692.6 | \$ 666.7 | \$ 880.5 | \$ 1,025.9 | \$ 1,279.8 | \$ 861.1 |
| TOTAL | \$ 16,542.5 | \$ 19,084.7 | \$ 22,915.7 | \$ 26,363.9 | \$ 34,861.6 | \$ 36,181.0 | \$ 38,354.1 |

* Various Economic and Revenue Forecasts

| ALL FUNDS BUDGET (IN MILLIONS) | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| PROGRAM AREA | 2013-15 | 2015-17 | 2017-19 | 2019-21 | 2021-23* | 2023-25* | 2025-27* |
| EDUCATION | \$10,655.5 | \$12,784.1 | \$13,770.0 | \$16,330.7 | \$19,183.4 | \$21,820.5 | \$23,325.2 |
| HUMAN RESOURCES | \$25,740.0 | \$29,291.0 | \$31,620.6 | \$37,596.2 | \$48,851.8 | \$55,652.7 | \$62,188.8 |
| PUBLIC SAFETY | \$2,985.0 | \$3,325.8 | \$3,753.5 | \$4,880.5 | \$5,753.3 | \$6,893.3 | \$7,527.1 |
| ECON. & COMM. DEV. + CONS & BUS. SERV. | \$3,895.5 | \$3,764.6 | \$4,312.8 | \$14,686.2 | \$8,293.8 | \$10,779.1 | \$12,608.2 |
| NAT. RES. | \$1,632.7 | \$1,684.9 | \$1,852.3 | \$2,068.4 | \$2,786.5 | \$3,692.7 | \$3,849.3 |
| TRANS. | \$4,645.8 | \$3,401.0 | \$3,590.3 | \$5,392.0 | \$4,992.0 | \$6,378.8 | \$7,344.2 |
| ADMIN. | \$10,691.6 | \$11,744.8 | \$12,868.8 | \$15,646.9 | \$18,653.0 | \$16,265.1 | \$17,792.7 |
| LEGISLATURE | \$139.1 | \$104.0 | \$144.5 | \$231.6 | \$421.8 | \$474.4 | \$275.4 |
| JUDICIAL | \$717.8 | \$853.3 | \$1,009.4 | \$994.5 | \$695.1 | \$1,194.2 | \$1,093.5 |
| MISC. | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$284.7 | \$455.0 |
| TOTAL | \$61,103.1 | \$66,953.5 | \$72,922.2 | \$97,827.0 | \$109,630.6 | \$123,435.4 | \$136,459.5 |

Source: Budget Highlights (Various), Legislative Fiscal Office

* Governor's Budget, 2025-27

| ALL FUNDS REVENUE (IN MILLIONS) | | | | | | | |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| | 2013-15 | 2015-17 | 2017-19 | 2019-21 | 2021-23 | 2023-25 | 2025-27 |
| TAXES | \$21,044.3 | \$21,600.0 | \$26,115.6 | \$29,895.5 | \$38,832.2 | \$42,552.3 | \$53,761.5 |
| FEDERAL FUNDS | \$20,578.2 | \$22,561.3 | \$22,755.3 | \$35,352.5 | \$41,310.9 | \$41,282.3 | \$42,855.9 |
| INTEREST EARNINGS | \$12,378.9 | \$9,759.9 | \$11,363.3 | \$22,499.1 | \$11,925.2 | \$16,305.0 | \$11,615.1 |
| DONATIONS&CONTRIB. | \$3,336.3 | \$3,421.9 | \$4,731.5 | \$6,187.3 | \$8,268.2 | \$9,309.6 | \$8,043.4 |
| BOND SALES | \$2,778.1 | \$3,013.9 | \$2,280.2 | \$4,372.3 | \$3,512.4 | \$3,906.1 | \$4,697.8 |
| LIQUOR & OTHER SALES | \$811.2 | \$923.2 | \$1,038.9 | \$1,125.4 | \$1,144.2 | \$1,247.6 | \$1,116.2 |
| LOAN REPAYMENTS | \$630.2 | \$709.7 | \$595.5 | \$929.3 | \$643.1 | \$636.1 | \$447.6 |
| CHARGES | \$3,112.6 | \$3,775.2 | \$3,745.4 | \$4,207.1 | \$6,471.5 | \$6,553.4 | \$7,324.2 |
| LICENSES & FEES | \$1,564.9 | \$1,768.9 | \$1,831.6 | \$1,960.7 | \$2,474.7 | \$2,503.3 | \$2,664.9 |
| LOTTERY | \$1,061.1 | \$1,265.3 | \$1,456.2 | \$1,201.8 | \$1,815.1 | \$1,843.4 | \$1,987.7 |
| OTHER | \$3,195.0 | \$3,526.8 | \$4,140.1 | \$4,673.9 | \$3,768.8 | \$5,612.9 | \$7,513.8 |
| TOTAL | \$70,490.8 | \$72,326.0 | \$80,053.6 | \$112,404.8 | \$120,166.1 | \$131,752.0 | \$142,027.9 |

Source: Governors' Budgets

EFFECT OF TAX CHANGES

The table below contains rough approximations of the static revenue impacts of selected tax changes. All figures are in millions of dollars. The estimates assume that the proposed change is fully phased in. Due to time lags in the tax system, a proposed change might not have the effect shown here in the first fiscal year.

| TAX REDUCTIONS | Revenue Effect (in \$millions) | | | |
|---|--------------------------------|---------------|---------------|---------------|
| | FY 2025-26 | FY 2026-27 | FY 2027-28 | FY 2028-29 |
| Property Tax | | | | |
| Personal Property Tax Threshold: Double threshold. Currently, personal property is exempt if AV is under inflation-indexed threshold (\$22.5K in 2024-25) | -11.3 | -11.5 | -11.6 | -11.8 |
| Senior Homeowner Property Tax Freeze: Freeze homestead AV if one or more owners are aged 65 years or more and household income is up to half Deferral limit (\$30K in 2025-26) | -4.0 | -12.0 | -21.6 | -28.8 |
| Personal Income Tax | | | | |
| Earned Income Credit (EIC) - Current EIC is 9% & 12% (dependents < 3) of federal EIC | | | | |
| Increase EIC to 10% and 13% (dependents < 3) of federal EIC | -5.4 | -5.4 | -5.5 | -5.5 |
| Increase EIC to 15% and 20% (dependents < 3) of federal EIC | -35.2 | -35.3 | -35.5 | -35.7 |
| Rate Reductions (current rates: 4.75%, 6.75%, 8.75%, 9.9%) | | | | |
| Eliminate 9.9% rate (rates set at 4.75, 6.75, 8.75%) | -360.8 | -382.3 | -406.3 | -436.1 |
| Reduce rates to 4.25, 6.25, 8.25% | -1,224.0 | -1,293.7 | -1,372.3 | -1,458.1 |
| Reduce rates to 3.75, 5.75, 7.75% | -2,088.0 | -2,206.8 | -2,340.0 | -2,481.8 |
| Tax Bracket Changes | | | | |
| Double width of 4.75% and 6.75% brackets | -812.9 | -861.5 | -909.9 | -960.1 |
| Widen 4.75% and 6.75% brackets by \$1,000 (\$2,000 joint return) | -168.7 | -174.9 | -180.4 | -185.6 |
| Income Subtractions and Deductions | | | | |
| Double standard deduction (\$2,835 single; \$5,670 joint in 2025) | -349.2 | -352.4 | -367.2 | -382.0 |
| Increase Maximum Federal Tax Subtraction to \$10,000 | -73.2 | -89.6 | -92.6 | -97.4 |
| No limit on maximum subtraction for federal income taxes | -1,920.9 | -2,023.6 | -2,153.7 | -2,292.8 |
| Credits | | | | |
| Increase personal exemption credit \$10 | -31.4 | -32.1 | -32.6 | -33.0 |
| Capital Gains (Currently taxed at regular income tax rates) | | | | |
| Reduce tax rate on capital gains to 4.75% | -481.4 | -464.9 | -457.0 | -458.3 |
| Reduce tax rate on capital gains to 3.75% | -615.1 | -599.7 | -589.5 | -591.2 |
| Estate Taxes | | | | |
| Eliminate estate taxes in Oregon | -326.5 | -338.3 | -356.1 | -369.2 |
| Corporate Income Tax | | | | |
| Reduce corporate tax rate 0.1 percentage point (to 6.5% & 7.5%) | -21.0 | -22.0 | -22.3 | -22.8 |
| Reduce corporate tax rate 1 percentage point (to 5.6% & 6.6%) | -197.9 | -207.2 | -210.0 | -214.8 |
| Reduce top tax rate to 6.6% | -183.3 | -191.9 | -194.6 | -199.0 |
| Reduce C-corp. min tax to \$150 / \$500 | -66.6 | -68.2 | -66.4 | -66.4 |
| Corporate Activity Tax | | | | |
| Increase tax filing and taxability threshold to \$2 million | -15.7 | -81.8 | -92.2 | -96.9 |
| Reduce tax rate to 0.52% | -22.9 | -119.7 | -135.0 | -141.9 |

| TAX INCREASES/NEW TAXES | Revenue Effect (in \$millions) | | | |
|--|--------------------------------|---------------|---------------|---------------|
| | FY 2025-26 | FY 2026-27 | FY 2027-28 | FY 2028-29 |
| Statewide Property Tax for School Districts | | | | |
| Establish an additional tax rate of \$1 per \$1,000 of AV for all school districts that is outside the Measure 5 limit | 554.9 | 577.9 | 601.8 | 626.6 |
| Personal Income Tax | | | | |
| Increase all rates 5% (5, 7.1, 9.2, 10.4%) | 744.2 | 786.0 | 833.2 | 881.3 |
| Increase all rates 1 percentage point (5.75, 7.75, 9.75, 10.9%) | 1,722.9 | 1,819.7 | 1,928.0 | 2,038.5 |
| Increase 9.9% rate to 10.8, create new 11% rate on income above \$250,000 (single) or \$500,000 (joint) | 317.2 | 335.9 | 356.6 | 381.7 |
| Decrease maximum federal tax subtraction to \$3,000 (2025 subtraction is \$8,500) | 341.3 | 403.5 | 423.9 | 448.3 |
| 1% Surtax | 150.3 | 158.7 | 168.2 | 177.9 |
| Reduce personal exemption credit by \$10 | 31.5 | 32.2 | 32.7 | 33.1 |
| Reduce itemized deductions 5% | 79.0 | 93.3 | 98.9 | 104.6 |
| Reduce itemized deductions 10% if income above \$100,000 (single) or \$200,000 (joint) | 74.6 | 91.1 | 99.2 | 107.6 |
| Limit itemized deductions to \$50,000 | 203.5 | 276.9 | 302.9 | 329.4 |
| Corporate Income Tax | | | | |
| 1% Surtax | 15.9 | 16.7 | 16.9 | 17.3 |
| Start 7.6% rate at \$250,000 | 11.4 | 11.9 | 12.0 | 12.3 |
| Increase Rate One Percentage Point (to 7.6% & 8.6%) | 211.6 | 221.5 | 224.5 | 229.7 |
| Sales Taxes (begin 2026) | | | | |
| Retail Sales Tax (Washington Base) 1% Rate | 563 | 1,171 | 1,214 | 1,256 |
| Retail Sales Tax (Washington Base) 3% Rate | 1,689 | 3,512 | 3,642 | 3,769 |
| Retail Sales Tax (Washington Base) 5% Rate | 2,815 | 5,853 | 6,070 | 6,282 |
| Establish Restaurant 5% Meals Tax (Excluding Drinks) | 115 | 322 | 330 | 339 |
| Establish Soda Tax at 2 Cents Per 12 Ounces | 4.2 | 11 | 11.1 | 11.3 |
| Excise Taxes (begin 2026) | | | | |
| Washington Real Estate Transfer Tax – 1% Rate | 72 | 160 | 185 | 190 |
| Increase 911 tax by 25 cents | 16.3 | 16.5 | 16.7 | 16.8 |
| Increase Beer Tax by \$1 per barrel (Currently \$2.60) | 2.1 | 2.7 | 2.8 | 2.8 |
| Increase Wine Tax by \$1 per gallon (Currently \$0.67) | 10.5 | 15 | 15.6 | 15.9 |
| Increase Tax on cannabis by 1% (Currently 17% point of sale) | 3.9 | 9.5 | 10.1 | 10.2 |
| Increase OLCC Mark-up by 5% | 6.1 | 13.3 | 13.8 | 13.9 |
| Increase Cigarette Tax by 10¢ per Pack | 8.3 | 7.8 | 7.5 | 7.4 |
| Increase OTP to 70% of wholesale price (with proportional increase in caps) | 5.1 | 6.0 | 5.8 | 5.7 |
| Corporate Activity Tax | | | | |
| Increase base tax from \$250 to \$500 | 1.2 | 6.0 | 6.8 | 7.1 |
| Increase tax rate to 0.62% | 22.9 | 119.7 | 135.0 | 141.9 |

SECTION B - 2% SURPLUS KICKER

Another unique feature of Oregon's revenue system is the 2% surplus kicker. The kicker was approved by the 1979 Legislature as part of an overall fiscal reform package. The package, which included property tax relief, was approved by voters in the spring of 1980. A complete listing of revenue related votes over the past 50 years can be found in section N1 - N3. In 2000, voters acting on a legislative referral put a large portion of the 2% surplus kicker statute into the state constitution (Article IX, Section 14). In 2012, voters modified the constitution (Measure 85), redirecting corporate kicker revenue to the General Fund for purposes of funding K-12 education.

How it Works

The kicker law divides all General Fund revenue into two pots: (1) corporate income taxes and (2) personal income taxes plus all other (non-corporate) revenue. At the end of each biennium, a calculation is made for each pot. The latter pot is referred to as either the "all other" pot or the "personal pot". If the collections in the "all other" pot are more than 2% higher than was forecast at the close of the regular session, then a credit must be paid to personal income taxpayers. In these cases, all the money in excess of the close of session forecast, including the 2%, is returned to taxpayers.

A similar calculation is carried out for corporate income taxes. If actual corporate income tax collections are 2% or more above the close of session estimate for corporate income tax revenue, then a kicker is triggered. Voters passed Measure 85 in 2012 amending the constitution to require the corporate kicker to be allocated to the General Fund for purposes of funding K-12 education, instead of being returned to corporations. This allocation started with the 2013-15 biennium.

Surpluses in the "all other" pot fund lead to a credit on personal income tax returns. The amount of the credit is an identical proportion of each taxpayer's personal income tax liability for the prior year. For example, if the kicker credit is 5% and the taxpayer had a liability of \$1,000, they would receive a credit of \$50 on their income tax return.

The estimate upon which the kicker calculation is based can be increased, thereby reducing or eliminating the personal income tax credit, on a one-time basis if an emergency is declared and approved by a 2/3 vote in each chamber of the Legislative Assembly prior to the end of the biennium upon which the kicker calculation is based.

History

Table 8 shows the history of the surplus kicker. A severe recession dropped revenues far short of the forecast in the first two biennia after enactment. The table actually understates the recession's effect. If the Legislature had not increased taxes in special session the shortfall would have been much larger than shown in the table.

Faced with budget problems associated with Measure 5 (1990), the Legislature suspended the kicker in 1991 and 1993. Kickers would have triggered in just one of the two pots in each of those biennia. The 1995 personal income tax refund was the first one paid by check. Prior to 1995, the personal kicker was paid through a tax credit. Personal kickers would continue to be returned through a refund check when triggered until the 1995 law was changed by the 2011 Legislature.

Large corporate kicker credits were applied following the 1993-95 and 1995-97 biennia. Corporations were not eligible for a surplus credit for three biennia following the 1995-97 biennium. Corporate income tax collections exceeded the forecast by \$101 million in the 2003-05 biennium leading to a 35.9% credit on 2005 corporate income tax returns. The excess corporate revenue occurred despite the defeat of Measure 30 in January 2004. The revenue from Measure 30 was included in the close of session forecast and therefore part of the base for the kicker calculation.

Personal income tax kicker refunds were distributed four biennia in a row starting with the 1993-95 biennium. These refunds averaged 7.8% with the largest (14.4%) following the 1995-97 biennium. The 2001 recession depressed non-corporate General Fund revenue well below forecast in 2001-03 and the failure of Measure 30 held non-corporate revenue \$401 million below the close of session projection for the 2003-05 biennium.

EXHIBIT B-1 Surplus Refund / 2% Kicker

| Biennium | Tax Year | Personal | | Corporate | |
|----------|----------|---------------------------------------|---------------------------------------|---------------------------------------|----------------------------|
| | | Surplus/ Shortfall (\$ million) | Credit/ Refund (% of liability) | Surplus/ Shortfall (\$ million) | Credit (% of liability) |
| 1979-81 | 1981 | -\$141 | None | -\$25 | None |
| 1981-83 | 1983 | -\$115 | None | -\$110 | None |
| 1983-85 | 1985 | \$89 | 7.70% | \$13 | 10.60% |
| 1985-87 | 1987 | \$221 | 16.60% | \$7 | 6.20% |
| 1987-89 | 1989 | \$175 | 9.80% | \$36 | 19.70% |
| 1989-91 | 1991 | \$186 | Suspended | -\$23 | None |
| 1991-93 | 1993 | \$60 | None | \$18 | Suspended |
| 1993-95 | 1994/5 | \$163 | 6.27% | \$167 | 50.10% |
| 1995-97 | 1996/7 | \$432 | 14.40% | \$203 | 42.20% |
| 1997-99 | 1998/9 | \$167 | 4.60% | -\$69 | None |
| 1999-01 | 2000/1 | \$254 | 6.00% | -\$44 | None |
| 2001-03 | 2002/03 | -\$1,249 | None | -\$439 | None |
| 2003-05 | 2004/05 | -\$401 | None | \$101 | 35.90% |
| 2005-07 | 2006/07 | \$1,071 | 18.60% | \$344 | Suspended |
| 2007-09 | 2008 | -\$1,113 | None | -\$236 | None |
| 2009-11 | 2010 | -\$1,050 | None | -\$4 | None |
| 2011-13 | 2012 | \$124 | None | -\$10 | None |
| 2013-15 | 2014 | \$402 | 5.60% | \$79 | To K-12 |
| 2015-17 | 2016 | \$464 | 5.60% | \$111 | To K-12 |
| 2017-19 | 2018 | \$1,688 | 17.17% | \$675 | To K-12 |
| 2019-21 | 2020 | \$1,898 | 17.34% | \$851 | To K-12 |
| 2021-23 | 2022 | \$5,619 | 44.28% | \$1,810 | To K-12 |
| 2023-25* | 2024 | \$1,792 | 7.80% | \$1,025 | To K-12 |

*As of the December 2024 Economic & Revenue Forecast

The 2007 Legislature made several statutory changes that affected the kicker. First, using the constitutional exception process that allows the estimate to be changed with a 2/3 vote, the Legislature redirected the corporate kicker credit to the newly established Rainy Day Fund. The Legislature also modified the personal income tax refund process by basing the calculation on gross tax liability (before credits) rather than net tax liability (after tax credits).¹ This change affected the distribution of the refund but did not affect the total amount. Finally, the Legislature changed the tax year the corporate credit is based on from the current year to the prior year. This brought the corporate calculation into line with the personal refund calculation. This change will no longer apply due to the elimination of the corporate kicker

¹ Technically the calculation is based on gross tax liability plus the allowance of one tax credit -- the credit for taxes paid to another state.

credit brought about by the passage of Measure 85, which directs the corporate kicker to the funding of K-12 public education.

The personal kicker exceeded \$1 billion for the first time following the 2005-07 biennium. The refunds totaled \$1.071 billion or 18.6% of pre-credit tax liability in the 2006 tax year. The refunds were mailed out in the fall of 2007. The Great Recession and its aftermath forced both personal and corporate income tax revenue well short of the 2% kicker trigger for the 2007-09, 2009-11 and the 2011-13 biennia.

Both kickers have been triggered following the last five biennia, as shown in the table above. Personal income taxpayers received kicker credits of 5.6% of their pre-credit liability for tax years 2014 and 2016. For the subsequent two biennia, the kicker percentage was just above 17%. For the 2021-23 biennium, a new record was set for surplus revenue, reaching just over \$5.6 billion; the tax credit was roughly 44.3 percent of pre-credit tax liability. Corporate income tax revenue has exceeded forecasted levels ranging from \$79 million for the 2013-15 biennium up to \$1.8 billion for the 2021-23 biennium, also setting a new record. These revenues were dedicated to education spending.

For the 22 biennia in which the kicker has been in effect (1979-81 through 2021-23), the personal income tax trigger was exceeded fourteen times. Kicker refunds/credits were distributed on thirteen occasions and suspended once. Eight times collections fell short of the 2% personal income tax trigger. For the corporate calculation, actual collections exceeded the trigger thirteen times and fell below nine times. Of the thirteen times in which the corporate trigger was exceeded, the kicker was credited to corporate taxpayers six times, suspended twice, and allocated five times to the State School Fund.

As of the December 2024 revenue forecast, the 2023-25 biennium is projected to result in a personal kicker of roughly \$1,792 million. The corporate kicker is currently estimated to be \$1,025 million. If the current forecast holds, this would be the sixth consecutive biennium resulting in both kickers.

RESERVE FUNDS

Oregon currently has two reserve funds - The Education Stability Fund (ESF) and the Oregon Rainy Day Fund (RDF). The Education Stability Fund was created in 2002 as a constitutional amendment with House Joint Resolution 80 during the third special session of 2002 and subsequent passage by voters. The Oregon Rainy Day Fund was created in 2007 with the passage of HB 2707.

Education Stability Fund

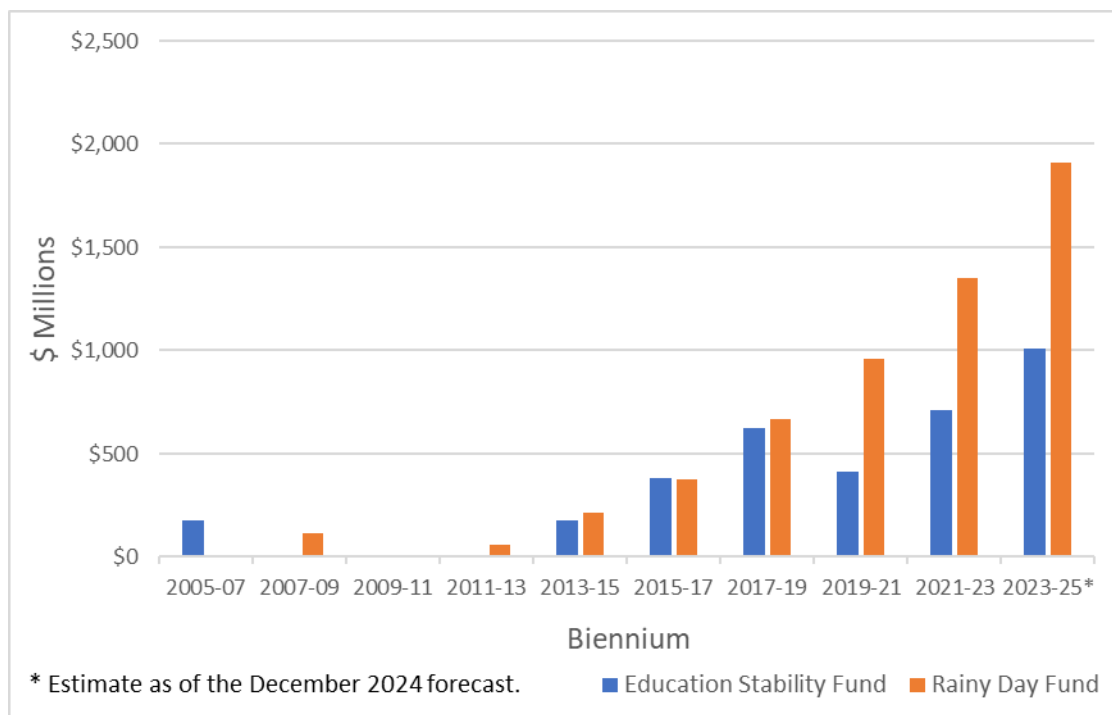
The Legislature referred HJR 80 to the voters at a special election held in September 2002. Voters approved the resolution, thereby converting the former Education Endowment Fund into the Education Stability Fund. Since July 1, 2003, the fund has received 18% of lottery net proceeds. The size of the fund is limited to 5% of General Fund revenue in the prior biennium. If the fund exceeds this limit, the lottery deposits stop until its size is drawn down to below the limit.

To access the fund, there are three different types of triggers: economic, budgetary, and political. The economic trigger is that there must be two or more consecutive quarters with a decline in seasonally adjusted non-farm payroll employment within the prior 12 months. The first budgetary trigger is that the final quarterly forecast of the biennium indicates that the General Fund revenue in the following biennium will be at least 3% less than the appropriations in the current biennium. The second is that the quarterly General Fund forecast for the current biennium projects revenue to be at least 2% below the forecast used for the legislatively adopted budget. The first political trigger is that a 3/5 vote in each house is required to access the funds; this is an additional requirement that must be met after at least one of the economic or budgetary triggers have been met. In the absence of those triggers, the funds can still be accessed if the Governor declares an emergency and 3/5 of each chamber approves. Use of the funds is restricted to expenditures on public education, which is broadly defined to include all levels from pre-Kindergarten through higher education as well as continuing education and workforce training.

Rainy Day Fund

The 2007 Legislature, by a 2/3 vote in each chamber, implemented a constitutional one-time exception to suspend the \$344 million corporate kicker credit and used the funds to create the Oregon Rainy Day Fund. As for ongoing contributions, the legislation required the deposit of the General Fund ending balance up to 1% of General Fund appropriations, beginning with the 2007-2009 biennium. The 2009 Legislature added another continuing source of deposits into the fund. As part of the corporation income tax increase passed -- and subsequently approved by voters -- a portion of that increase has been dedicated to this fund. At the time, any corporation income tax collections due to a tax rate above 6.6% was deposited into the fund. That threshold has changed over the years and currently sits at 7.2%. The fund is capped at 12.5% of General Fund revenue in the prior biennium. If the cap is reached, the dedicated revenues revert to the General Fund until the fund falls back below the cap. To access the funds, the triggers are the same as those described above for the Education Stability Fund, except for an emergency declaration by the Governor. Withdrawals are not allowed to exceed 2/3 of the beginning balance for any biennium.

At the end of the 2021-23 biennium, the ESF had a balance of \$711 million and the RDF had a balance of \$1,354 million. The chart below shows the balances at the end of each biennium since 2005-07. For 2023-25, the projection as of the December 2024 forecast is that the ESF will have \$1,009 million and the RDF will have roughly \$1,907 million.



SECTION C - OREGON INCOME TAXES

Oregon's primary source of revenue is from income taxes, both personal and corporate. Together, the personal and corporate taxes account for roughly 95 percent of the General Fund. The personal income tax is imposed on all the income of residents (full-year filers) and the income earned in Oregon by non-residents (non-resident filers). The tax is also imposed on part-year residents for the portion of the year in which they lived in Oregon. Corporations doing business in Oregon are subject to the excise tax while those that only have income from Oregon sources are subject to the income tax. Nearly all corporations are excise tax filers.

Personal Income Tax

Oregon's personal income tax is based on the federal personal income tax. Oregon statutorily connects to the federal definition of taxable income, though for administrative purposes, Oregon's personal income tax return begins with a taxpayer's federal adjusted gross income. Oregon's connection to federal taxable income simplifies Oregon taxation in that Oregon effectively adopts the provisions of the federal tax code controlling the determination of taxable income. Oregon tax policy can differ from the federal definition of taxable income by what's known as a selective "disconnect" from provisions of the federal tax code. For example, Oregon standard deduction amounts differ from those used at the federal level.

Oregon's connection to federal taxable income began in 1969 and has varied over the years. From 1981 to 1997, the Oregon Legislature regularly updated Oregon's connection via legislation. Beginning in 1997, the Legislature instituted a "rolling connection" to federal taxable income which, absent Oregon legislation, automatically maintains Oregon's connection. This rolling connection results in Oregon implicitly adopting federal statutory changes regarding the definition of taxable income and requires Oregon legislation to disconnect from federal provisions. While Oregon has also temporarily suspended rolling connection in past years, Oregon has consistently had a rolling connection since 2011. As Oregon's rolling connection is to federal taxable income, Oregon is not automatically connected to federal tax law provisions unrelated to taxable income (e.g., federal tax rates and tax credits). In addition to Oregon's rolling connection, Oregon maintains a point-in-time connection to specific federal tax provisions (e.g., definitions, such as 501(c)(3) nonprofit) where Oregon connects to federal tax law as of a specific past date. This specific date is generally updated annually through Oregon legislation.

The formulas below illustrate how Oregon personal income tax liability is determined. Income and adjustments are based on federal tax law due to Oregon's rolling connection. While Oregon's standard deduction amounts differ from federal, itemized deductions are based on federal tax law.

$$\text{Income} - \text{Adjustments} = \text{Adjusted Gross Income (AGI)}$$

$$\text{AGI} + \text{OR Additions} - \text{OR Subtractions} - \text{OR Deductions} = \text{OR Taxable Income}$$

$$\text{OR Taxable Income} * \text{OR Tax Rates} - \text{OR Credits} = \textbf{OR Tax Liability}$$

Oregon tax rates range from 4.75% to 9.9% of taxable income. Taxable income is adjusted gross income (AGI) plus Oregon additions less Oregon subtractions and deductions (standard or itemized). Because taxable income is generally less than AGI, the average effective tax rate is about 6.5% of AGI. All brackets, except the top income tax bracket, are indexed to inflation. The rate schedule for tax year 2025 is shown below:

2025 TAX YEAR RATE SCHEDULE

| SINGLE RETURNS | | JOINT RETURNS | |
|-----------------------|--|-----------------------|--|
| Taxable Income | Tax Before Credits | Taxable Income | Tax Before Credits |
| Not over \$4,300 | 4.75% of taxable income | Not over \$8,600 | 4.75% of taxable income |
| \$4,300 to \$10,750 | \$204 + 6.75% of income over \$4,300 | \$8,600 to \$21,500 | \$409 + 6.75% of income over \$8,600 |
| \$10,750 to \$125,000 | \$640 + 8.75% of income over \$10,750 | \$21,500 to \$250,000 | \$1,279 + 8.75% of income over \$21,500 |
| Over \$125,000 | \$10,637 + 9.9% of income over \$125,000 | Over \$250,000 | \$21,273 + 9.9% of income over \$250,000 |

In the 2013 Special Session, the Legislature made significant changes to the personal income tax system. These changes are included on Page C6, including the creation of an alternate tax rate structure for individuals with non-passive income from partnerships or S-corporations that they actively participate in. This policy is optional and first took effect in 2015. Changes made in the 2018 Special Session allow certain sole proprietorships to use the alternative rate structure as well. Modifications to the reduced rate program made in 2021 reduced two of the rates, enhanced the business employee requirement, and excluded highly profitable partnerships and S corps from program participation. The reduced rate and bracket structure are shown in the table to the right.

| Non-Passive Income Tax Rates | |
|------------------------------|----------|
| Taxable Income (\$) | Tax Rate |
| ≤ \$500,000 | 7.0% |
| \$500,001 to \$1 Million | 7.5% |
| \$1 Million to \$2.5 Million | 8.0% |
| \$2.5 Million to \$5 Million | 9.0% |
| Over \$5 Million | 9.9% |

In 2019, as part of legislation creating Oregon's Corporate Activity Tax and effective beginning tax year 2020, the Legislature reduced Oregon's first three income tax bracket rates from 5%, 7% and 9% to 4.75%, 6.75% and 8.75% respectively.

In 2022, all personal income tax returns reported a total adjusted gross income of \$163.7 billion. The average adjusted gross income for all returns was \$87,062, a decrease of 1.3% from 2021. Oregon taxpayers had a tax liability of \$10.6 billion, a decrease of 3.9% from 2021.¹ The average Oregon tax liability for full-year filers was \$5,642, down 2.9% from 2021.²

The Oregon standard deductions for tax year 2025 are \$5,670 on joint returns, \$2,835 on single and married-filing-separate returns and \$4,560 for head-of-household returns. Blind or elderly (65+) taxpayers receive an extra \$1,200 standard deduction on a single or head of household return and an extra \$1,000 per eligible person on a joint return. In 2022, the average deduction amount per full-year tax return was \$9,268, a decrease of 1.1% from 2021. A personal exemption credit is allowed for most taxpayers and dependents. This credit is indexed for inflation and is \$256 in 2025. The average amount of all credits taken per full-year tax return in 2022 was \$415, a decrease of 4.8% from the 2021 average of \$436.³

Oregon also taxes some business income through the personal income tax system. For example, owners and shareholders of businesses, such as sole proprietors, partnerships, and S-corporations, pay personal income taxes on the profits from these businesses. Recent trends in Oregon's small businesses can be seen on pages D11 and D12.

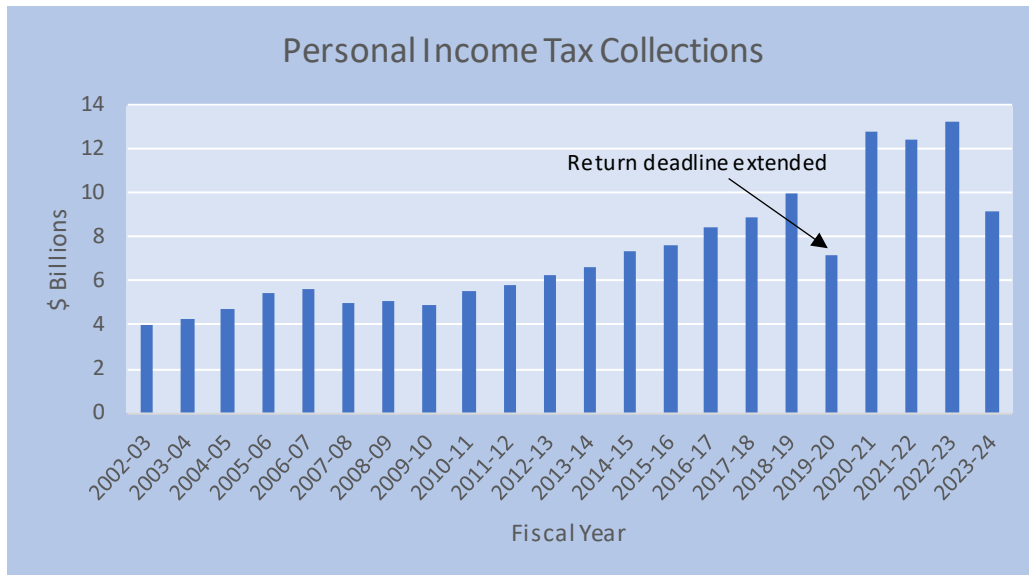
¹ Liability amount excludes "kicker" credit.

² Ibid.

³ Ibid.

Personal income tax collections are the largest source of state tax revenue and are projected to comprise 81% of the total General Fund revenues in the 2023-25 biennium (down slightly from 83% for the 2021-23 biennium). The following chart shows the personal income tax collections since fiscal year 2002-03. Two prominent factors contributed to the precipitous decline in PIT collections in fiscal year 2019-20 followed by the significant increase in 2020-21 fiscal year. First, a nearly \$1.7 billion kicker was certified for tax year 2019. Second, the COVID-19 pandemic began which not only affected Oregon's economic environment but also led to the extension of the 2019 tax return filing deadline from April 15th to July 15th (shifting the 2019 return filing deadline to fiscal year 2020-21). The decline in 2023-24 was largely caused by a \$5.6 billion kicker certified for tax year 2023.

EXHIBIT C-1



History

In 1917, the Oregon Constitution was amended to allow a progressive income tax. In 1923 an income tax was adopted by the legislature and approved by a statewide vote. The tax was collected for only one year. A successful initiative petition repealed it in 1924.

Subsequent to 1924, three initiative petitions and a legislative referral failed at the polls. The 1929 legislature adopted an income tax dedicated to reducing the state property tax. The tax was brought to a vote by referendum. It was approved by the voters in 1930. By 1938 the state property tax was completely offset by income tax collections, and except for 1940, no state property tax has been collected since.

The following is a summary of recent tax changes:

- 2014 Federal conformity was updated to December 31, 2013.
Crop donation credit reinstated
- 2015 Federal conformity was updated to December 31, 2014.
Working Family Child Care and Child and Dependent Care tax credits combined into a single Working Family Child and Dependent Care tax credit for tax years 2016 through 2021.
- 2016 Federal conformity was updated to December 31, 2015.

Increased the Earned Income Tax Credit (EITC) from 8% to 11% of the federal credit for taxpayers with a dependent under the age of three.

Increased the annual program cap on the Film and Video tax credit from \$10 million to \$12 million in 2016 and to \$14 million in 2017.

Extended the Biomass Manure tax credit through January 1, 2022 but reduced the tax credit rate from \$5 per wet ton to \$3.50 per wet ton.

2017 Federal conformity was updated to December 31, 2016.

Extended or modified five tax credits (reservation enterprise zone, affordable housing lender's credit, rural medical providers, fish screening devices and working family dependent care credit).

Created two new tax credits: bovine manure and employer training for eligible counties.

Extended the Greenlight Oregon Labor Rebate program six years, including the related subtraction. Allows certain deductions from labor rebate amounts.

Modifications made to Oregon Industrial Site Readiness Program.

2018 Federal conformity was updated to December 31, 2017.

Modified four tax credits (affordable housing, film production development contributions, bovine manure production or collection & working family household and dependent care).

Created new credit (Opportunity Grant contributions) and new subtraction from taxable income (home buyer savings account).

Requires addition to taxable income for amount allowable as a deduction under section 199A(a) of the Internal Revenue Code (i.e., 20% deduction for certain pass-throughs and proprietorships enacted as part of federal Tax Cuts and Jobs Act in December of 2017).

Special Session:

Extended to sole proprietorship income, existing-law preferential tax rates for non-passive income from a partnership or S-corporation.

2019 Effective beginning tax year 2020, Oregon's first three income tax rates were reduced from 5%, 7% and 9% to 4.75%, 6.75% and 8.75% respectively.

Federal conformity updated to December 31, 2018

Thirteen tax credits/subtractions had sunsets extended and/or had policy parameters modified (cultural trust, manufactured dwelling park capital gain, manufactured dwelling park closure, certain retirement income, volunteer rural emergency medical services providers, employer provided scholarships, agriculture workforce housing construction, crop donation, rural medical provider, Oregon earned income tax credit, individual development account contributions, film production development and opportunity grant auctioned credits).

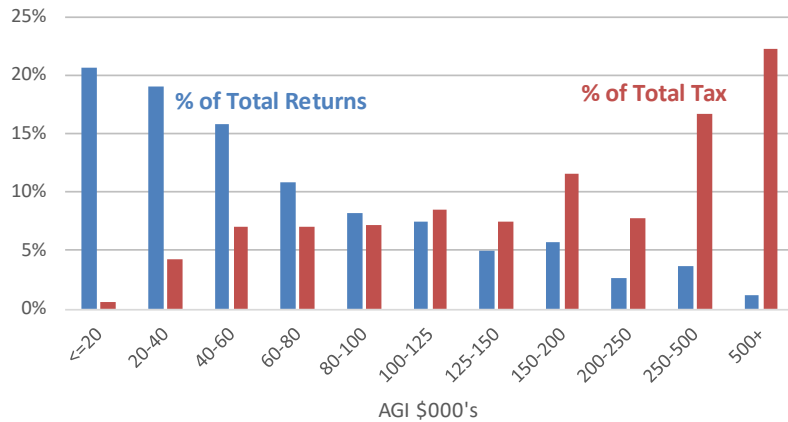
Three credits were created (short line railroads and contributions to 529 higher education or ABLE account) while the subtractions for 529 higher education or ABLE account contributions were sunset and replaced by the aforementioned credits.

- 2021 Thirteen tax credits/subtractions/rebates had sunsets extended and/or had policy parameters modified. A new subtraction was created for recipients of AmeriCorps national service educational awards.
Federal conformity updated to April 1, 2021.
Modified tax rates and income eligible for elective reduced personal income tax rates allowed for qualified pass-through income.
- 2022 Created a refundable tax credit available to eligible employers that provide overtime compensation to agricultural workers.
Federal conformity updated to December 31, 2021.
- 2023 Sixteen tax credits/subtractions had sunsets extended and/or had policy parameters modified. Three new credits were enacted relating to research and development, retention of publicly supported housing, and young children.
Federal conformity updated to December 31, 2022.
- 2024 Created a personal income tax subtraction for judgment/settlement amounts received arising from wildfire. Omnibus tax measure affecting Industrial Site Readiness Program, short-line railroad tax credit, and pass through entity elective tax.
Federal conformity updated to December 31, 2023.

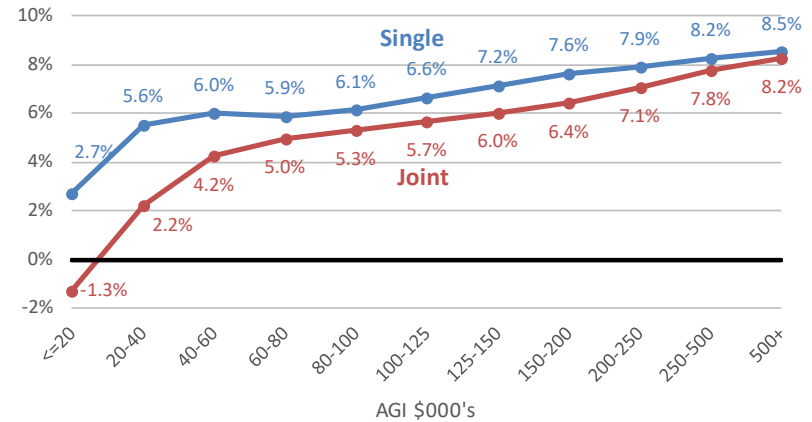
| 2022 TOTAL INCOME AND TAX (\$000) | | | | | | | | | | | | | |
|-----------------------------------|-------------------|----------------------|-----------------------|--------------------|---------------------|---------------------|----------------------|---------------------|------------------|---------------------|-----------------------------------|---------------------|--------------------|
| AGI Distribution | Full-Year Returns | | | | | | | | | | Part-Year and Nonresident Returns | | |
| AGI Level (\$000) | Number of Returns | Number of Exemptions | Adjusted Gross Income | Additions | Subtractions | Deductions | Taxable Income | Gross Tax | Credits | Net Tax | Number of Returns | Taxable Income | Net Tax |
| ≤20 | 387,235 | 462,284 | \$2,420,439 | \$68,287 | \$205,792 | \$1,840,314 | \$2,257,492 | \$137,532 | \$74,126 | \$63,406 | 181,982 | \$856,564 | \$40,248 |
| 20-40 | 357,063 | 558,511 | \$10,757,713 | \$14,326 | \$1,025,477 | \$1,793,515 | \$8,078,259 | \$593,851 | \$144,393 | \$449,458 | 54,399 | \$1,322,296 | \$83,603 |
| 40-60 | 296,101 | 503,623 | \$14,602,284 | \$17,236 | \$1,836,068 | \$1,784,988 | \$11,081,652 | \$867,125 | \$117,916 | \$749,209 | 32,784 | \$1,365,458 | \$97,074 |
| 60-80 | 204,520 | 387,010 | \$14,202,994 | \$19,807 | \$2,207,911 | \$1,671,114 | \$10,394,727 | \$831,593 | \$87,812 | \$743,781 | 20,803 | \$1,228,483 | \$90,746 |
| 80-100 | 154,469 | 325,100 | \$13,834,034 | \$21,522 | \$2,136,978 | \$1,577,201 | \$10,171,852 | \$825,245 | \$74,007 | \$751,238 | 13,296 | \$1,023,335 | \$77,634 |
| 100-125 | 139,306 | 320,716 | \$15,560,102 | \$26,800 | \$2,201,858 | \$1,703,061 | \$11,704,112 | \$960,531 | \$64,627 | \$895,904 | 9,963 | \$971,180 | \$75,448 |
| 125-150 | 93,264 | 227,603 | \$12,749,352 | \$25,747 | \$1,460,357 | \$1,304,443 | \$10,021,213 | \$832,399 | \$49,444 | \$782,955 | 5,855 | \$711,435 | \$55,930 |
| 150-200 | 107,700 | 275,844 | \$18,509,267 | \$45,473 | \$1,641,187 | \$1,726,458 | \$15,210,447 | \$1,281,042 | \$63,750 | \$1,217,292 | 5,811 | \$905,163 | \$71,304 |
| 200-250 | 50,814 | 134,644 | \$11,298,292 | \$43,596 | \$754,080 | \$950,862 | \$9,641,220 | \$820,447 | \$6,855 | \$813,592 | 2,840 | \$586,993 | \$46,956 |
| 250-500 | 67,614 | 185,465 | \$22,503,571 | \$151,842 | \$658,541 | \$1,589,983 | \$20,412,564 | \$1,785,243 | \$20,820 | \$1,764,423 | 4,151 | \$1,324,018 | \$105,920 |
| 500 + | 21,977 | 60,766 | \$27,243,226 | \$692,691 | \$417,203 | \$1,483,284 | \$26,051,373 | \$2,427,348 | \$78,053 | \$2,349,295 | 2,214 | \$3,939,244 | \$307,134 |
| Total | 1,880,063 | 3,441,566 | \$163,681,274 | \$1,127,328 | \$14,545,452 | \$17,425,224 | \$135,024,910 | \$11,362,360 | \$781,803 | \$10,580,557 | 334,098 | \$14,234,165 | \$1,051,998 |

Source: DOR's annual income tax statistics publication and associated tables.

Percent Share of Returns and Tax Liability
by AGI Category | TY 2022



Effective Tax Rate by AGI & Filing Status
TY 2022



| 2022 AVERAGE INCOME AND TAX | | | | | | | | | | | | | |
|-----------------------------|-------------------|----------------------|-----------------------|--------------|----------------|----------------|-----------------|----------------|----------------------|----------------------|-----------------------------------|-----------------|----------------------|
| AGI Distribution | Full-Year Returns | | | | | | | | | | Part-Year and Nonresident Returns | | |
| AGI Level (\$000) | Number of Returns | Number of Exemptions | Adjusted Gross Income | Additions | Subtractions | Deductions | Taxable Income | Gross Tax | Credits ¹ | Net Tax ¹ | Number of Returns | Taxable Income | Net Tax ¹ |
| <20 | 405,786 | 1.2 | \$6,251 | \$176 | \$531 | \$4,752 | \$5,830 | \$355 | \$191 | \$164 | 181,982 | \$4,707 | \$221 |
| 20-40 | 397,889 | 1.6 | \$30,128 | \$40 | \$2,872 | \$5,023 | \$22,624 | \$1,663 | \$404 | \$1,259 | 54,399 | \$24,307 | \$1,537 |
| 40-60 | 287,977 | 1.7 | \$49,315 | \$58 | \$6,201 | \$6,028 | \$37,425 | \$2,928 | \$398 | \$2,530 | 32,784 | \$41,650 | \$2,961 |
| 60-80 | 200,566 | 1.9 | \$69,446 | \$97 | \$10,796 | \$8,171 | \$50,825 | \$4,066 | \$429 | \$3,637 | 20,803 | \$59,053 | \$4,362 |
| 80-100 | 149,954 | 2.1 | \$89,559 | \$139 | \$13,834 | \$10,210 | \$65,850 | \$5,342 | \$479 | \$4,863 | 13,296 | \$76,966 | \$5,839 |
| 100-125 | 133,904 | 2.3 | \$111,697 | \$192 | \$15,806 | \$12,225 | \$84,017 | \$6,895 | \$464 | \$6,431 | 9,963 | \$97,479 | \$7,573 |
| 125-150 | 88,614 | 2.4 | \$136,702 | \$276 | \$15,658 | \$13,987 | \$107,450 | \$8,925 | \$530 | \$8,395 | 5,855 | \$121,509 | \$9,553 |
| 150-200 | 98,284 | 2.6 | \$171,859 | \$422 | \$15,239 | \$16,030 | \$141,230 | \$11,895 | \$592 | \$11,303 | 5,811 | \$155,767 | \$12,271 |
| 200-250 | 46,187 | 2.6 | \$222,346 | \$858 | \$14,840 | \$18,713 | \$189,736 | \$16,146 | \$135 | \$16,011 | 2,840 | \$206,688 | \$16,534 |
| 250-500 | 64,301 | 2.7 | \$332,824 | \$2,246 | \$9,740 | \$23,516 | \$301,898 | \$26,403 | \$308 | \$26,096 | 4,151 | \$318,964 | \$25,517 |
| 500 + | 25,201 | 2.8 | \$1,239,624 | \$31,519 | \$18,984 | \$67,493 | \$1,185,393 | \$110,449 | \$3,552 | \$106,898 | 2,214 | \$1,779,243 | \$138,724 |
| Total | 1,898,663 | 1.8 | \$86,209 | \$594 | \$7,661 | \$9,178 | \$71,116 | \$5,984 | \$412 | \$5,573 | 334,098 | \$42,605 | \$3,149 |

Source: DOR's annual income tax statistics publication and associated tables.

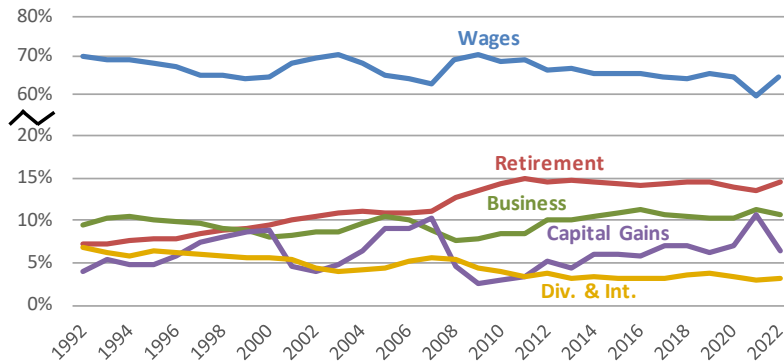
| 2022 SOURCES OF INCOME (\$000) | | | | | | | | | | | | |
|--------------------------------|-------------------|-----------------------|--------------------------------|------------------------|----------------------|---------------------|-------------------------------------|------------------------|-------------------------------|----------------------|--------------------|-----------------------|
| AGI Distribution | Full-Year Returns | | | | | | | | | | | |
| AGI Level (\$000) | Number of Returns | Wages, Salaries, Tips | Taxable Dividends and Interest | Schedule C Income/Loss | Capital Gains / Loss | Taxable Pensions | Schedule E Income/Loss ¹ | Schedule F Income/Loss | All Other Income ² | Gross Income | Adjustments | Adjusted Gross Income |
| <20 | 387,235 | \$2,763,165 | \$199,527 | \$97,428 | \$52,683 | \$702,410 | -\$635,633 | -\$127,908 | -\$535,480 | \$2,516,192 | \$95,749 | \$2,420,439 |
| 20-40 | 357,063 | \$8,433,647 | \$178,999 | \$502,666 | \$84,257 | \$1,495,106 | \$73,593 | -\$28,696 | \$130,846 | \$10,870,418 | \$112,709 | \$10,757,713 |
| 40-60 | 296,101 | \$11,578,109 | \$200,050 | \$463,113 | \$109,984 | \$2,136,538 | \$129,439 | -\$28,561 | \$147,326 | \$14,735,998 | \$133,711 | \$14,602,284 |
| 60-80 | 204,520 | \$10,452,345 | \$242,501 | \$436,425 | \$150,306 | \$2,760,373 | \$178,315 | -\$29,754 | \$150,694 | \$14,341,205 | \$138,211 | \$14,202,994 |
| 80-100 | 154,469 | \$9,856,461 | \$251,291 | \$394,697 | \$171,460 | \$2,940,759 | \$235,247 | -\$27,374 | \$138,799 | \$13,961,340 | \$127,307 | \$13,834,034 |
| 100-125 | 139,306 | \$10,831,938 | \$309,023 | \$438,404 | \$253,563 | \$3,415,107 | \$352,300 | -\$29,783 | \$136,004 | \$15,706,556 | \$146,454 | \$15,560,102 |
| 125-150 | 93,264 | \$8,955,955 | \$272,755 | \$364,020 | \$264,996 | \$2,575,134 | \$371,479 | -\$24,190 | \$94,971 | \$12,875,120 | \$125,768 | \$12,749,352 |
| 150-200 | 107,700 | \$13,049,606 | \$458,722 | \$539,411 | \$517,180 | \$3,287,816 | \$744,035 | -\$26,806 | \$130,815 | \$18,700,779 | \$191,511 | \$18,509,267 |
| 200-250 | 50,814 | \$7,802,953 | \$337,502 | \$373,668 | \$496,498 | \$1,649,431 | \$697,465 | -\$12,915 | \$85,992 | \$11,430,594 | \$132,300 | \$11,298,292 |
| 250-500 | 67,614 | \$14,307,765 | \$863,332 | \$833,034 | \$1,812,255 | \$2,326,049 | \$2,522,706 | -\$32,211 | \$192,516 | \$22,825,446 | \$321,873 | \$22,503,571 |
| 500 + | 21,977 | \$9,044,341 | \$2,059,369 | \$535,389 | \$6,699,706 | \$752,026 | \$8,155,750 | -\$25,828 | \$272,464 | \$27,493,217 | \$249,991 | \$27,243,226 |
| Total | 1,880,063 | \$107,076,283 | \$5,373,069 | \$4,978,254 | \$10,612,888 | \$24,040,749 | \$12,824,696 | -\$394,025 | \$944,942 | \$165,456,856 | \$1,775,583 | \$163,681,274 |

¹Schedule E includes income from: rental real estate, royalties, partnerships, S corporations, and trusts.

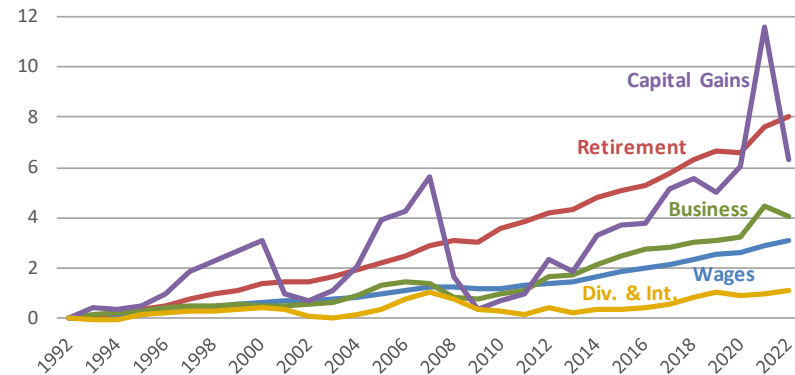
²All other income includes income (or loss) from: taxable state income tax refunds, alimony received, unemployment compensation, other income, and net operating loss carryforwards.

Source: DOR's annual income tax statistics publication and associated tables.

Percentage Share of Income



Relative Change in Income Type 1992 = 0



SECTION D – CORPORATE INCOME TAX

Oregon taxes Corporations using a two-bracket rate structure, depicted in the table below. This rate structure has been in place since 2009 and taxes corporations based on their taxable income, with the first \$1 million taxed at a rate of 6.6% and the income over \$1 million at a rate of 7.6%.

| C corporation Tax Rate Schedule | |
|--|--|
| Taxable Income | Tax Before Credits |
| Not over \$1M | 6.6% of taxable income |
| Over \$1M | \$66,000 + 7.6% of taxable income > \$1M |

Oregon uses federal taxable income before loss carryforward, with some modifications, as its tax base.¹ C Corporations are required to pay the larger of their tax due under the rate schedule and the tax due under the minimum tax schedule². The minimum tax schedule, shown below, contains 12-tiers assigning minimum taxes to corporations based on the amount of Oregon sales the corporation had during that tax year.

| C corp. Minimum Tax Schedule | |
|-------------------------------------|---------------|
| Oregon Sales (\$) | Min. Tax (\$) |
| < \$500,000 | \$150 |
| \$500,000 to \$1 Million | \$500 |
| \$1 Million to \$2 Million | \$1,000 |
| \$2 Million to \$3 Million | \$1,500 |
| \$3 Million to \$5 Million | \$2,000 |
| \$5 Million to \$7 Million | \$4,000 |
| \$7 Million to \$10 Million | \$7,500 |
| \$10 Million to \$25 Million | \$15,000 |
| \$25 Million to \$50 Million | \$30,000 |
| \$50 Million to \$75 Million | \$50,000 |
| \$75 Million to \$100 Million | \$75,000 |
| \$100 Million or more | \$100,000 |

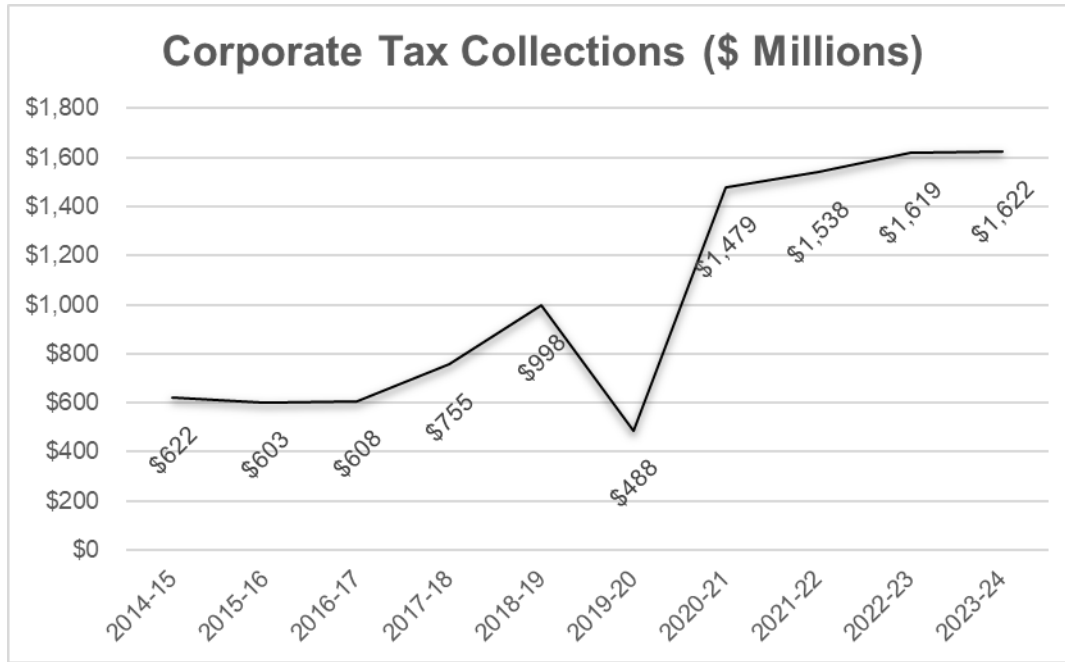
Oregon's corporate income tax is the second largest tax source for the state General Fund. The corporate tax revenue is projected to provide \$2.65 billion for the 2023-25 biennium, which would be 10.2% of projected gross General Fund revenue.

The following chart shows Oregon's corporate tax collections for ten years.

¹ For more information on how Oregon's corporate taxation works, please see the Department of Revenue's Corporate Excise and Income Tax Report.

² Oregon law has two chapters describing tax on corporate income. They are referred to in law as the "Corporation Excise Tax" (ORS Chapter 317) or the "Corporation Income Tax" (ORS Chapter 318), but the systems work together, with the primary difference being that those subject to tax under ORS Chapter 318 do not pay the minimum tax. The term "Corporate Income Tax" is used here to include both chapters.

EXHIBIT D-1



Corporations pay tax only on income attributable to Oregon. For multi-state C corporations, a three-factor formula using property, payroll and sales was historically used to apportion income to Oregon. Over the past 30 years the formula weights have changed from an equally weighted formula (used prior to 1991) to a one-hundred percent weighted sales formula³ (for tax years beginning on or after July 1, 2005). The following table contains the corporate apportionment formula weights for each factor and their effective dates.

| Apportionment Formula Weights | | | |
|-------------------------------|--------------|----------------|-----------------|
| Tax Year Range | Sales Weight | Payroll Weight | Property Weight |
| 12/31/1990 and earlier | 33% | 33% | 33% |
| 1/1/1991 to 4/30/2003 | 50% | 25% | 25% |
| 5/1/2003 to 6/30/2005 | 80% | 10% | 10% |
| 7/1/2005 to current | 100% | 0% | 0% |

C corporations can be divided into two groups: corporations that do business and have income only in Oregon and those with income from multiple states and/or abroad. For tax year 2021, the number of Oregon-only C-Corporation tax returns was 12,550 (about 35% of all 35,740 C corporation returns) and the total number of multi-state corporations was 23,190 (about 65%). The total tax of multi-state corporations was \$1,155 million (93% of total C corporation tax) and the total tax of Oregon-only corporations was \$86.1 million (7%). Page C19 illustrates the trend in the Oregon only and multi-state corporations.

³ There is one exception, as utilities & telecommunication corporations may elect to use the double-weighted sales formula (ORS 314.280).

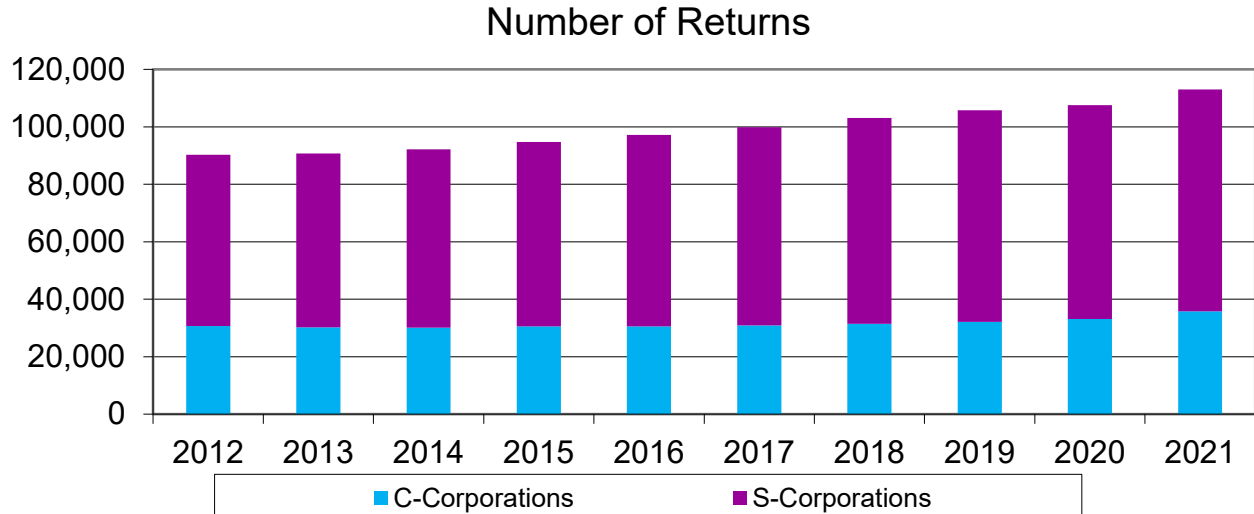
S Corporations do not generally pay tax at the entity level in Oregon but are required to file a corporate tax return. More than 77 thousand S Corporations currently file tax returns in Oregon, with the vast majority (98%) paying the minimum tax. The remaining 2% of S Corporations have a tax liability greater than the minimum due to built-in capital gains or net excess passive income.

Recent Significant Tax Changes

- | | |
|------|---|
| 2017 | Sales factor used for apportionment of intangible products changed to use “market-based” approach rather than “cost-of-performance” method. |
| 2018 | In response to federal legislation altering taxation of foreign profits and requiring repatriation of past foreign profits, Oregon required addback of repatriation dividends, and repealed listed jurisdiction provisions that had required foreign income from specified countries be included in apportioned income for Oregon tax purposes. |
| 2019 | Required amounts deducted from federal income as Global Intangible Low Taxed Income be added back for Oregon income tax purposes. |

EXHIBIT D-2

Oregon Corporation Tax Returns by Tax Year



Oregon Corporation Tax Returns

| | C-Corporations | | S-Corporations | | Total | |
|------|----------------|----------|----------------|----------|---------|----------|
| | Returns | % Change | Returns | % Change | Returns | % Change |
| 1992 | 35,660 | 1.3% | 23,731 | 12.5% | 59,391 | 5.5% |
| 1993 | 36,879 | 3.4% | 26,751 | 12.7% | 63,630 | 7.1% |
| 1994 | 38,344 | 4.0% | 29,752 | 11.2% | 68,096 | 7.0% |
| 1995 | 39,496 | 3.0% | 32,689 | 9.9% | 72,185 | 6.0% |
| 1996 | 38,867 | -1.6% | 35,337 | 8.1% | 74,204 | 2.8% |
| 1997 | 38,627 | -0.6% | 37,711 | 6.7% | 76,338 | 2.9% |
| 1998 | 39,740 | 2.9% | 40,571 | 7.6% | 80,311 | 5.2% |
| 1999 | 38,930 | -2.0% | 42,153 | 3.9% | 81,083 | 1.0% |
| 2000 | 38,410 | -1.3% | 44,047 | 4.5% | 82,457 | 1.7% |
| 2001 | 37,458 | -2.5% | 45,179 | 2.6% | 82,637 | 0.2% |
| 2002 | 36,527 | -2.5% | 46,744 | 3.5% | 83,271 | 0.8% |
| 2003 | 36,294 | -0.6% | 48,993 | 4.8% | 85,287 | 2.4% |
| 2004 | 35,880 | -1.1% | 51,385 | 4.9% | 87,265 | 2.3% |
| 2005 | 35,076 | -2.2% | 54,047 | 5.2% | 89,123 | 2.1% |
| 2006 | 34,799 | -0.8% | 56,432 | 4.4% | 91,231 | 2.4% |
| 2007 | 34,841 | 0.1% | 58,791 | 4.2% | 93,632 | 2.6% |
| 2008 | 34,052 | -2.3% | 59,942 | 2.0% | 93,994 | 0.4% |
| 2009 | 32,501 | -4.6% | 59,388 | -0.9% | 91,889 | -2.2% |
| 2010 | 31,681 | -2.5% | 59,031 | -0.6% | 90,712 | -1.3% |
| 2011 | 31,013 | -2.1% | 59,033 | 0.0% | 90,046 | -0.7% |
| 2012 | 30,700 | -1.0% | 59,619 | 1.0% | 90,319 | 0.3% |
| 2013 | 30,198 | -1.6% | 60,467 | 1.4% | 90,665 | 0.4% |
| 2014 | 30,140 | -0.2% | 61,992 | 2.5% | 92,132 | 1.6% |
| 2015 | 30,497 | 1.2% | 64,247 | 3.6% | 94,744 | 2.8% |
| 2016 | 30,585 | 0.3% | 66,559 | 3.6% | 97,144 | 2.5% |
| 2017 | 30,893 | 1.0% | 69,015 | 3.7% | 99,908 | 2.8% |
| 2018 | 31,412 | 1.7% | 71,713 | 3.9% | 103,125 | 3.2% |
| 2019 | 32,160 | 2.4% | 73,616 | 2.7% | 105,776 | 2.6% |
| 2020 | 33,141 | 5.5% | 74,444 | 3.8% | 107,585 | 4.3% |
| 2021 | 35,740 | 13.8% | 77,210 | 7.7% | 112,950 | 9.5% |

EXHIBIT D-3

Corporation Filers by Industry, Tax Year 2021

| Industry | C-Corporations | S-Corporations |
|--|-----------------------|-----------------------|
| Agriculture, Forestry, Fishing, and Hunting | 1,370 | 2,790 |
| Mining&Utilities | 170 | 170 |
| Construction | 1,960 | 11,120 |
| Manufacturing | 2,390 | 3,640 |
| Wholesale Trade | 3,590 | 3,350 |
| Retail Trade | 1,960 | 5,760 |
| Transportation and Warehousing | 720 | 2,120 |
| Information | 2,510 | 1,450 |
| Finance and Insurance | 4,810 | 2,830 |
| Real Estate, Rental, and Leasing | 1,920 | 5,560 |
| Professional, Scientific, and Technical Services | 5,380 | 12,670 |
| Management of Companies and Enterprises | 2,540 | 710 |
| Administrative, Support, and Waste Management | 1,200 | 3,720 |
| Education Services | 330 | 740 |
| Health Care and Social Assistance | 1,050 | 6,120 |
| Arts, Entertainment, and Recreation | 360 | 1,340 |
| Accommodation and Food Services | 680 | 4,770 |
| Other Services (except Public Administration) | 1,180 | 3,510 |
| Unknown | 1,610 | 4,830 |
| Total | 35,740 | 77,210 |

Note: Total counts may not equal sum of categories due to rounding in source data.

Corporation Filers by Industry, Tax Year 2021

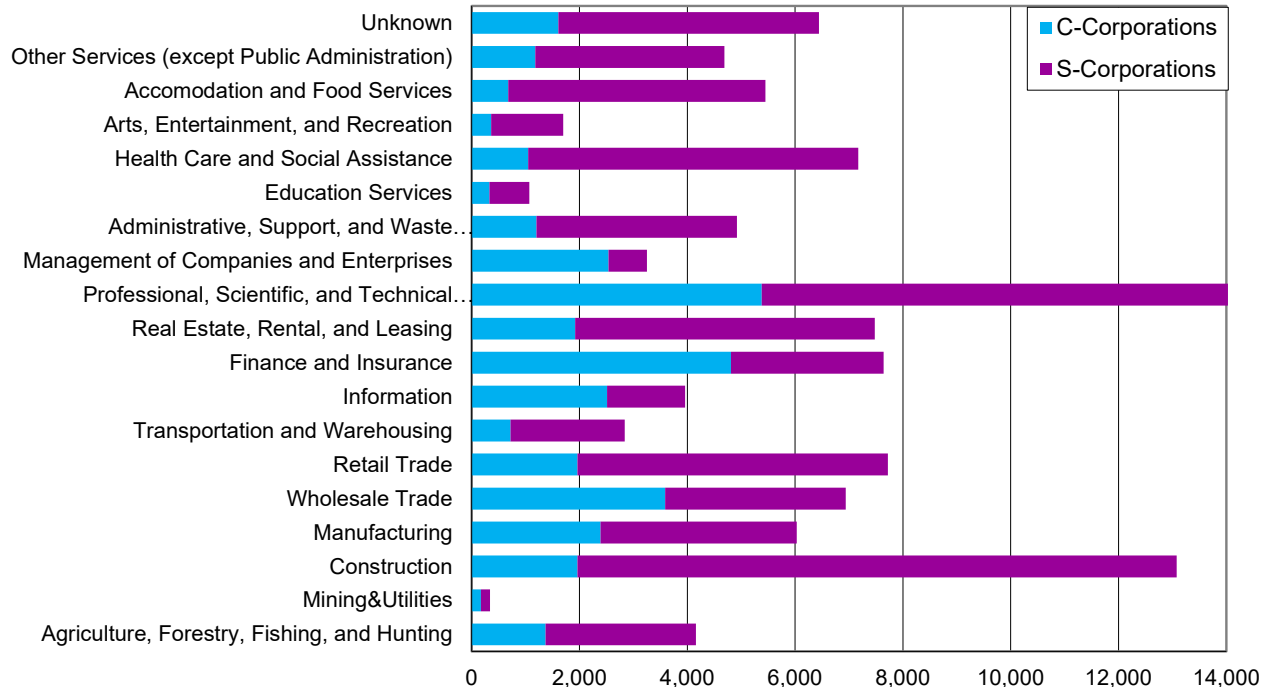


EXHIBIT D-4

Corporation Net Tax by Industry, Tax Year 2021

(\$millions)

| Industry | C-Corporations | S-Corporations |
|--|------------------|----------------|
| Agriculture, Forestry, Fishing, and Hunting | \$11.7 | \$0.5 |
| Mining and Utilities | \$8.9 | \$1.1 |
| Construction | \$34.1 | \$1.8 |
| Manufacturing | \$130.8 | \$1.1 |
| Wholesale Trade | \$199.4 | \$0.8 |
| Retail Trade | \$155.2 | \$1.1 |
| Transportation and Warehousing | \$42.6 | \$0.3 |
| Information | \$64.2 | \$0.2 |
| Finance and Insurance | \$168.3 | \$0.5 |
| Real Estate, Rental, and Leasing | \$23.3 | \$0.9 |
| Professional, Scientific, and Technical Services | \$68.9 | \$1.9 |
| Management of Companies and Enterprises | \$241.1 | \$0.1 |
| Administrative, Support, and Waste Management | \$23.6 | \$0.6 |
| Education Services | \$2.9 | \$0.1 |
| Health Care and Social Assistance | \$13.1 | \$1.0 |
| Arts, Entertainment, and Recreation | \$2.1 | \$0.2 |
| Accommodation and Food Services | \$9.0 | \$0.7 |
| Other Services (except Public Administration) | \$40.1 | \$0.5 |
| Unknown | \$1.9 | \$0.7 |
| Total | \$1,241.2 | \$13.9 |

*The order and definitions for the sectors is from the North American Industry Classification System

C-Corporation Net Tax by Industry, Tax Year 2021

(\$millions)

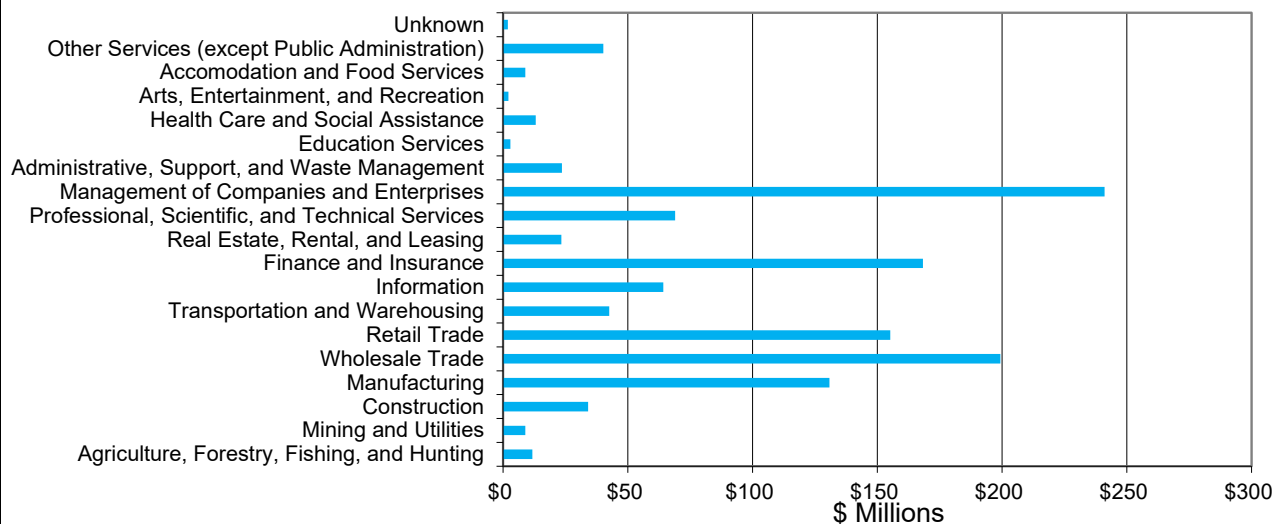
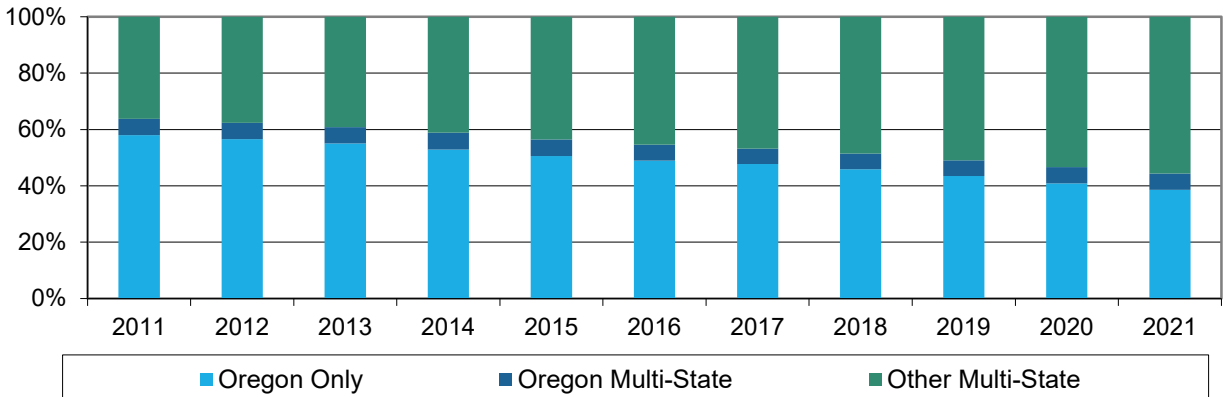


EXHIBIT D-5

Tax Year 2021 Oregon Only and Multi-State C-Corporations

Percent of Returns



Number of C-Corporation Returns

Net Tax (\$ Million)

| | Oregon Only | Oregon Multi-State | Other Multi-State | Total | Oregon Only | Oregon Multi-State | Other Multi-State | Total |
|------|-------------|--------------------|-------------------|--------|-------------|--------------------|-------------------|-----------|
| 2007 | 21,882 | 1,951 | 11,008 | 34,841 | \$31.1 | \$57.8 | \$339.7 | \$428.7 |
| 2008 | 21,065 | 1,983 | 11,004 | 34,052 | \$31.0 | \$30.5 | \$238.1 | \$299.6 |
| 2009 | 19,312 | 1,895 | 11,294 | 32,501 | \$38.6 | \$37.2 | \$317.5 | \$393.2 |
| 2010 | 18,384 | 1,816 | 11,481 | 31,681 | \$37.1 | \$40.3 | \$360.9 | \$438.3 |
| 2011 | 17,548 | 1,802 | 11,663 | 31,013 | \$35.3 | \$28.7 | \$316.4 | \$380.3 |
| 2012 | 16,904 | 1,784 | 12,012 | 30,700 | \$34.3 | \$26.7 | \$377.6 | \$438.6 |
| 2013 | 15,962 | 1,803 | 12,433 | 30,198 | \$40.7 | \$34.7 | \$402.7 | \$478.1 |
| 2014 | 15,257 | 1,748 | 13,135 | 30,140 | \$54.4 | \$32.7 | \$447.7 | \$534.7 |
| 2015 | 14,955 | 1,720 | 13,860 | 30,535 | \$50.4 | \$43.5 | \$440.4 | \$534.3 |
| 2016 | 14,642 | 1,685 | 14,340 | 30,667 | \$49.2 | \$48.6 | \$449.4 | \$547.3 |
| 2017 | 14,244 | 1,714 | 15,086 | 31,044 | \$46.5 | \$65.6 | \$517.4 | \$629.5 |
| 2018 | 13,799 | 1,791 | 16,171 | 31,761 | \$55.6 | \$104.5 | \$648.4 | \$808.5 |
| 2019 | 13,129 | 1,859 | 17,172 | 32,160 | \$55.8 | \$79.2 | \$700.0 | \$835.1 |
| 2020 | 12,771 | 1,942 | 18,428 | 33,141 | \$65.2 | \$111.0 | \$855.3 | \$1,031.5 |
| 2021 | 12,550 | 2,090 | 21,100 | 35,740 | \$86.1 | \$111.8 | \$1,043.3 | \$1,241.2 |

Percent of Net Tax

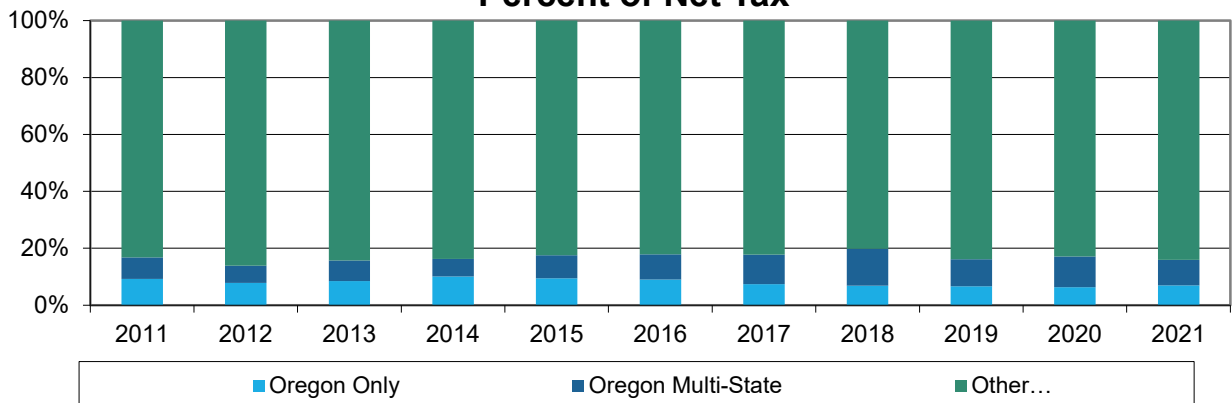
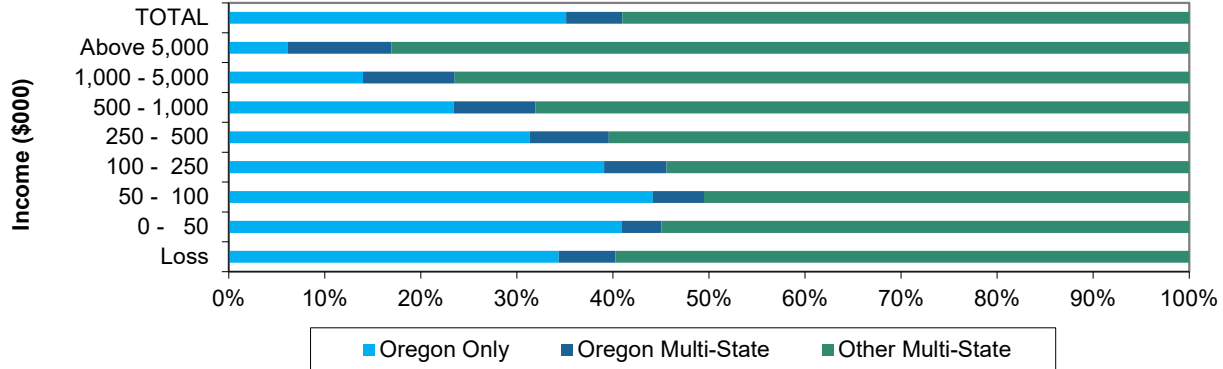


EXHIBIT D-6

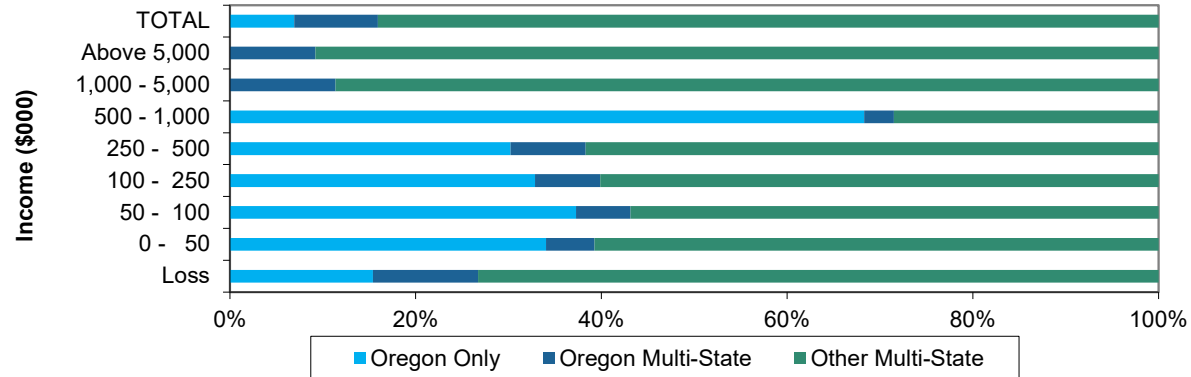
Tax Year 2021 Oregon Only and Multi-State C-Corporations

Percent of Returns



| Income Before Net Loss (\$000) | Number of Returns | | | | Oregon Tax (\$M) | | | |
|-----------------------------------|-------------------|-----------------------|-----------------------|---------------|------------------|-----------------------|-----------------------|-------------------|
| | Oregon Only | Oregon Multi-State | Other Multi- State | Total | Oregon Only | Oregon Multi-State | Other Multi- State | Total |
| Loss | 6,270 | 1,080 | 10,910 | 18,260 | \$ 4.5 | \$ 3.3 | \$ 21.6 | \$ 29.4 |
| 0 - 50 | 3,750 | 380 | 5,040 | 9,170 | \$ 3.2 | \$ 0.5 | \$ 5.7 | \$ 9.4 |
| 50 - 100 | 830 | 100 | 950 | 1,880 | \$ 2.8 | \$ 0.4 | \$ 4.3 | \$ 7.6 |
| 100 - 250 | 840 | 140 | 1,170 | 2,150 | \$ 6.5 | \$ 1.4 | \$ 11.9 | \$ 19.8 |
| 250 - 500 | 420 | 110 | 810 | 1,340 | \$ 8.0 | \$ 2.1 | \$ 16.3 | \$ 26.5 |
| 500 - 1,000 | 220 | 80 | 640 | 940 | \$ 61.0 | \$ 2.9 | \$ 25.5 | \$ 89.4 |
| 1,000 - 5,000 | 190 | 130 | 1,040 | 1,360 | \$ - | \$ 18.5 | \$ 143.7 | \$ 162.1 |
| Above 5,000 | 40 | 70 | 540 | 650 | \$ - | \$ 82.7 | \$ 814.3 | \$ 897.0 |
| TOTAL | 12,550 | 2,090 | 21,100 | 35,740 | \$ 86.1 | \$ 111.8 | \$ 1,043.3 | \$ 1,241.2 |

Percent of Tax



Note: Total counts may not equal sum of categories due to rounding in source data.

EXHIBIT D-7

| C-Corporations Affected by the Minimum Tax or Tax Rates, Tax Year 2021 | | | | | | | |
|---|--|---------------|---------------|--------------------------------------|------------------|--------------------|------------------|
| Oregon Sales | Affected by the Minimum Tax | | | Affected by the Tax Rates | | All Returns | |
| | Min. Tax | Returns | Net Tax (\$M) | Returns | Net Tax (\$M) | Returns | Net Tax (\$M) |
| < \$500,000 | \$150 | 15,830 | \$ 2.4 | 5,540 | \$ 16.3 | 21,370 | \$18.7 |
| \$500,000 to \$1 Million | \$500 | 2,010 | \$ 1.0 | 1,300 | \$ 9.1 | 3,310 | \$10.1 |
| \$1 to \$2 Million | \$1,000 | 1,800 | \$ 1.8 | 1,170 | \$ 15.2 | 2,970 | \$17.0 |
| \$2 to \$3 Million | \$1,500 | 880 | \$ 1.3 | 670 | \$ 14.4 | 1,560 | \$15.7 |
| \$3 to \$5 Million | \$2,000 | 910 | \$ 1.8 | 760 | \$ 23.5 | 1,680 | \$25.4 |
| \$5 to \$7 Million | \$4,000 | 500 | \$ 2.0 | 440 | \$ 23.0 | 930 | \$25.0 |
| \$7 to \$10 Million | \$7,500 | 480 | \$ 3.6 | 380 | \$ 23.3 | 860 | \$26.9 |
| \$10 to \$25 Million | \$15,000 | 750 | \$ 11.3 | 790 | \$ 97.5 | 1,540 | \$108.8 |
| \$25 to \$50 Million | \$30,000 | 290 | \$ 8.6 | 390 | \$ 112.8 | 680 | \$121.4 |
| \$50 to \$75 Million | \$50,000 | 110 | \$ 5.3 | 160 | \$ 83.1 | 270 | \$88.4 |
| \$75 to \$100 Million | \$75,000 | 60 | \$ 4.4 | 100 | \$ 76.2 | 160 | \$80.6 |
| > \$100 Million | \$100,000 | 140 | \$ 13.9 | 280 | \$ 689.5 | 420 | \$703.4 |
| Total | | 23,750 | \$57.4 | 11,990 | \$1,183.8 | 35,740 | \$1,241.2 |

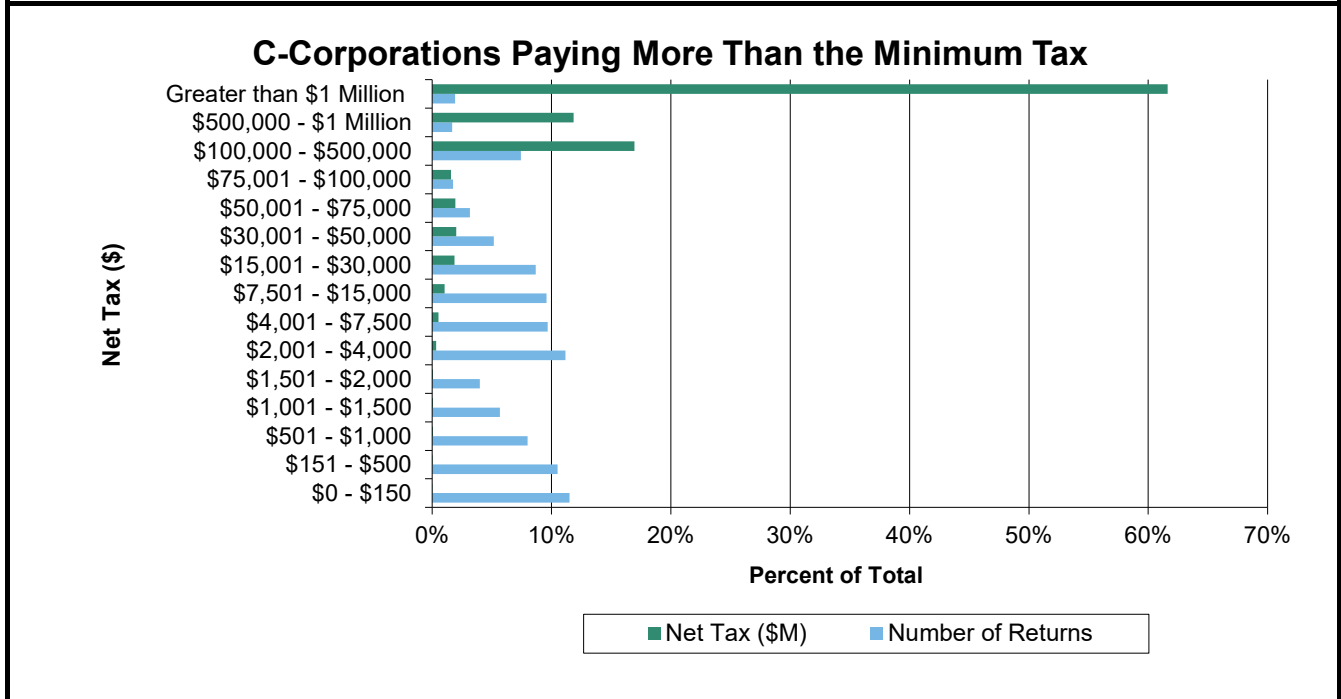
| Industry Sector | Affected by the Minimum Tax | | Affected by the Tax Rates | | All Returns | |
|---|--|---------------|--------------------------------------|------------------|--------------------|------------------|
| | Returns | Net Tax (\$M) | Returns | Net Tax (\$M) | Returns | Net Tax (\$M) |
| Agriculture, Forestry, Fishing, and Hunting | 940 | \$1.6 | 430 | \$10.1 | 1,370 | \$11.7 |
| Mining and Utilities | 120 | \$0.7 | 50 | \$8.2 | 170 | \$8.9 |
| Construction | 1,370 | \$2.3 | 590 | \$31.8 | 1,960 | \$34.1 |
| Manufacturing | 1,530 | \$6.3 | 860 | \$124.5 | 2,390 | \$130.8 |
| Wholesale Trade | 1,960 | \$7.6 | 1,630 | \$191.7 | 3,590 | \$199.4 |
| Retail Trade | 1,220 | \$4.5 | 740 | \$150.7 | 1,960 | \$155.2 |
| Transportation & Warehousing | 480 | \$1.9 | 240 | \$40.6 | 720 | \$42.6 |
| Information | 2,070 | \$2.7 | 440 | \$61.5 | 2,510 | \$64.2 |
| Finance & Insurance | 2,470 | \$8.2 | 2,340 | \$160.0 | 4,810 | \$168.3 |
| Real Estate | 1,340 | \$3.6 | 580 | \$19.7 | 1,920 | \$23.3 |
| Professional, Scientific & Tech Services | 4,020 | \$4.5 | 1,360 | \$64.4 | 5,380 | \$68.9 |
| Management of Companies and Enterprises | 1,520 | \$7.6 | 1,020 | \$233.5 | 2,540 | \$241.1 |
| Administration, Supply & Waste Management | 820 | \$1.3 | 380 | \$22.3 | 1,200 | \$23.6 |
| Education Services | 230 | \$0.1 | 100 | \$2.8 | 330 | \$2.9 |
| Health Care & Social Assistance | 840 | \$2.6 | 210 | \$10.5 | 1,050 | \$13.1 |
| Arts, Entertainment, & Recreation | 270 | \$0.2 | 90 | \$1.9 | 360 | \$2.1 |
| Accommodation & Food Services | 470 | \$0.9 | 210 | \$8.1 | 680 | \$9.0 |
| Other Services | 810 | \$0.6 | 370 | \$39.6 | 1,180 | \$40.1 |
| Unknown | 1,250 | \$0.2 | 360 | \$1.7 | 1,610 | \$1.9 |
| Total | 23,750 | \$57.4 | 11,990 | \$1,183.8 | 35,740 | \$1,241.2 |

Note: Total counts may not equal sum of categories due to rounding in source data.

EXHIBIT D-8

Corporations Paying More than the Min. Tax, by Tax Category, Tax Year 2021

| Tax Category (Net Tax, \$) | Number of Returns | Percent of Total | Net Tax (\$M) | Percent of Total |
|----------------------------|-------------------|------------------|---------------|------------------|
| \$0 - \$150 | 1,380 | 11.5% | \$0.0 | 0.0% |
| \$151 - \$500 | 1,260 | 10.5% | \$0.4 | 0.0% |
| \$501 - \$1,000 | 960 | 8.0% | \$0.7 | 0.1% |
| \$1,001 - \$1,500 | 680 | 5.7% | \$0.8 | 0.1% |
| \$1,501 - \$2,000 | 480 | 4.0% | \$0.8 | 0.1% |
| \$2,001 - \$4,000 | 1,340 | 11.2% | \$3.9 | 0.3% |
| \$4,001 - \$7,500 | 1,160 | 9.7% | \$6.4 | 0.5% |
| \$7,501 - \$15,000 | 1,150 | 9.6% | \$12.3 | 1.0% |
| \$15,001 - \$30,000 | 1,040 | 8.7% | \$22.3 | 1.9% |
| \$30,001 - \$50,000 | 620 | 5.2% | \$23.7 | 2.0% |
| \$50,001 - \$75,000 | 380 | 3.2% | \$23.1 | 2.0% |
| \$75,001 - \$100,000 | 210 | 1.8% | \$18.7 | 1.6% |
| \$100,000 - \$500,000 | 890 | 7.4% | \$200.7 | 17.0% |
| \$500,000 - \$1 Million | 200 | 1.7% | \$140.4 | 11.9% |
| Greater than \$1 Million | 230 | 1.9% | \$729.5 | 61.6% |
| Total | 11,990 | 100.0% | \$1,183.8 | 100.0% |

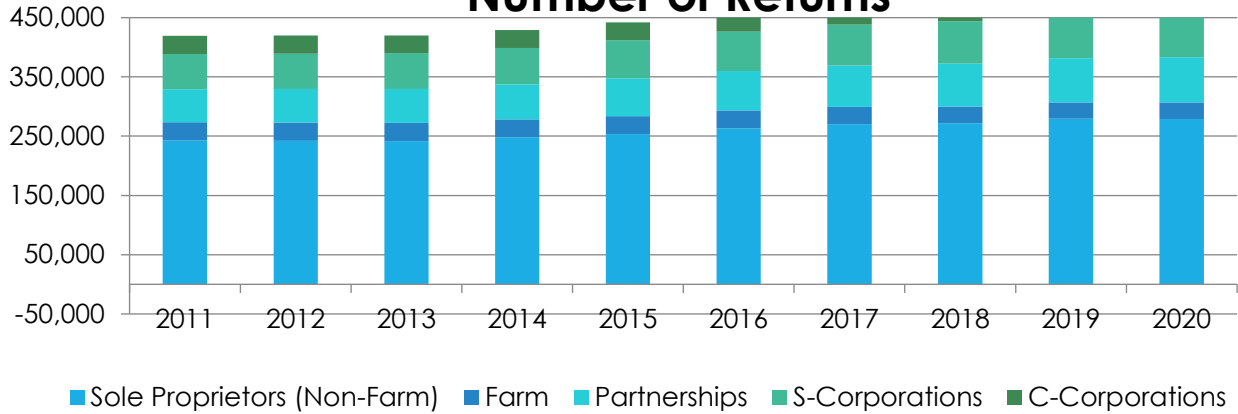


Note: Total counts may not equal sum of categories due to rounding in source data.

EXHIBIT D-9

Oregon Tax Returns with Business Income

Number of Returns



Number of Business Tax Returns

| Tax Year | Sole Proprietors | | Partnerships | S-Corporations | C-Corporations | TOTAL |
|----------|------------------|--------|--------------|----------------|----------------|---------|
| | Non-Farm | Farm | | | | |
| 2011 | 242,433 | 31,260 | 55,617 | 59,033 | 31,013 | 419,356 |
| 2012 | 242,262 | 30,915 | 56,265 | 59,571 | 30,653 | 419,666 |
| 2013 | 241,839 | 30,442 | 57,325 | 60,380 | 30,101 | 420,087 |
| 2014 | 248,112 | 30,236 | 58,785 | 61,926 | 30,024 | 429,083 |
| 2015 | 253,610 | 30,036 | 63,912 | 64,134 | 30,271 | 441,963 |
| 2016 | 263,486 | 29,802 | 66,842 | 66,227 | 30,110 | 456,467 |
| 2017 | 270,247 | 29,359 | 69,502 | 69,015 | 30,893 | 469,016 |
| 2018 | 271,694 | 28,506 | 71,968 | 71,713 | 31,412 | 475,293 |
| 2019 | 279,227 | 27,947 | 74,594 | 73,616 | 32,160 | 487,544 |
| 2020 | 279,113 | 27,862 | 75,957 | 77,210 | 35,740 | 495,882 |

Percent of Returns

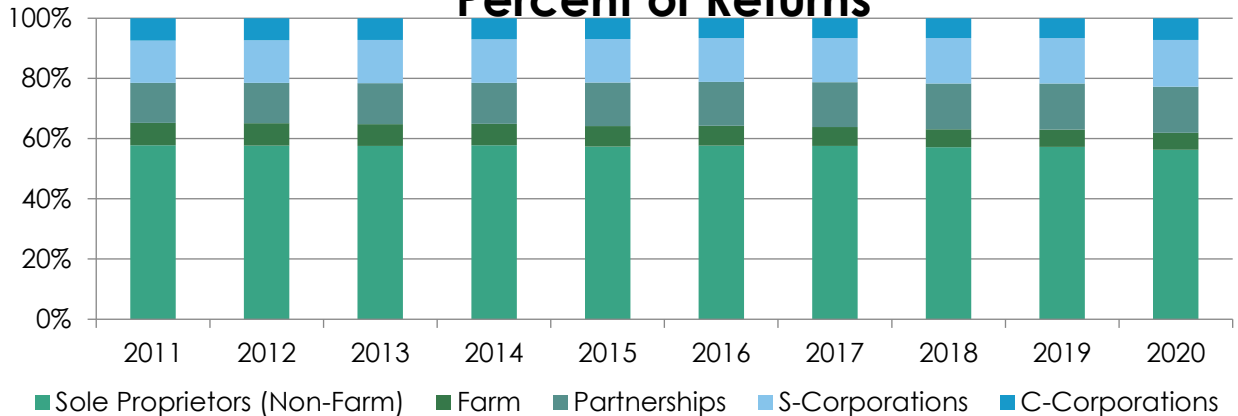
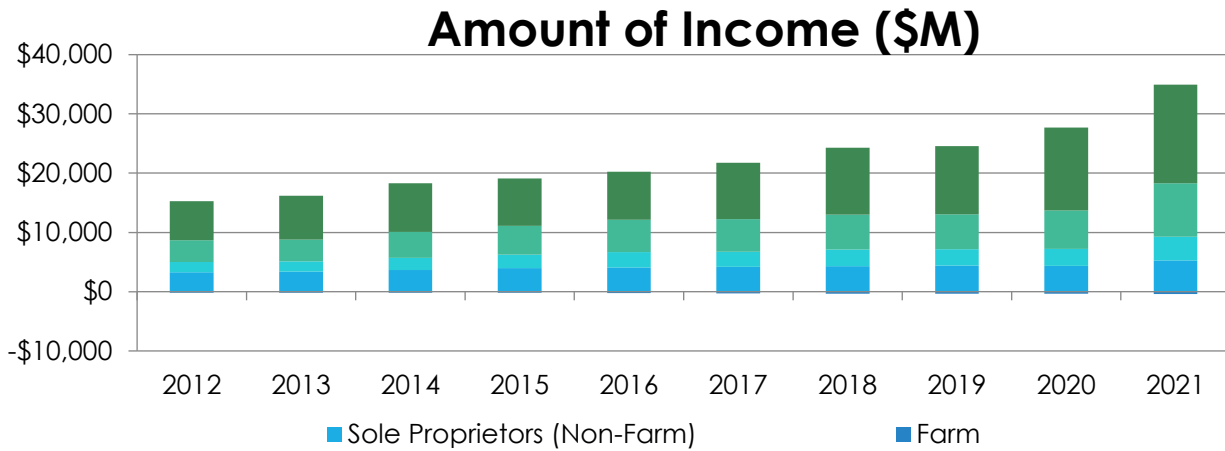


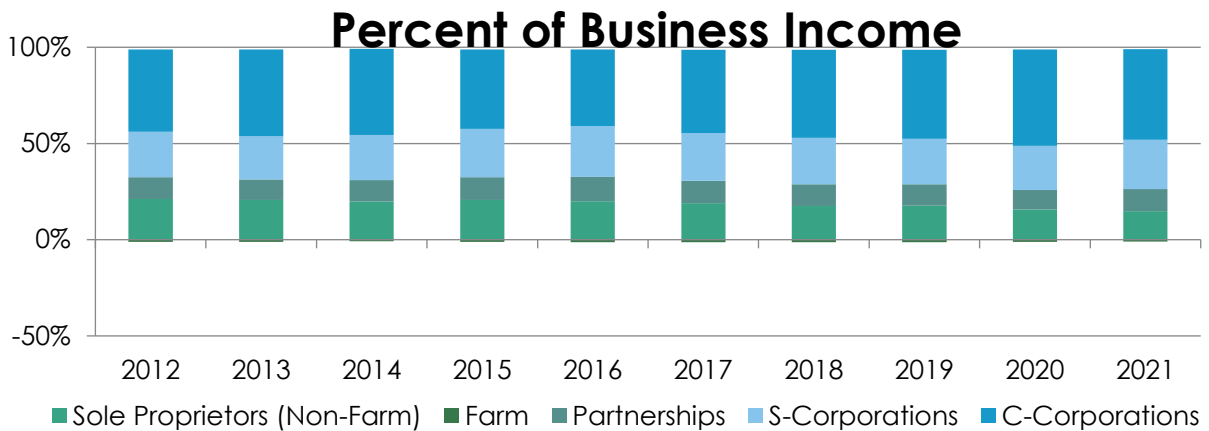
EXHIBIT D-10

Business Income on Oregon Tax Returns by Tax Year



Business Income on Tax Returns (\$ Millions)

| Tax Year | Sole Proprietors | | Partnerships | S-Corporations | C-Corporations | TOTAL |
|----------|------------------|--------|--------------|----------------|----------------|----------|
| | Non-Farm | Farm | | | | |
| 2012 | \$3,261 | -\$180 | \$1,754 | \$3,646 | \$6,606 | \$15,087 |
| 2013 | \$3,381 | -\$178 | \$1,746 | \$3,657 | \$7,397 | \$16,003 |
| 2014 | \$3,651 | -\$159 | \$2,061 | \$4,351 | \$8,240 | \$18,143 |
| 2015 | \$3,985 | -\$206 | \$2,284 | \$4,860 | \$7,972 | \$18,894 |
| 2016 | \$4,105 | -\$252 | \$2,564 | \$5,448 | \$8,109 | \$19,973 |
| 2017 | \$4,173 | -\$273 | \$2,575 | \$5,472 | \$9,530 | \$20,057 |
| 2018 | \$4,320 | -\$335 | \$2,781 | \$5,909 | \$11,271 | \$23,714 |
| 2019 | \$4,410 | -\$333 | \$2,771 | \$5,889 | \$11,506 | \$24,167 |
| 2020 | \$4,379 | -\$332 | \$2,860 | \$6,455 | \$14,023 | \$27,284 |
| 2021 | \$5,259 | -\$370 | \$4,038 | \$9,021 | \$16,620 | \$34,568 |



SECTION E - PROPERTY TAX

Property tax is a combination of local taxes. Property tax receipts fund most services and functions of local governments, including counties, cities, and public schools. Taxable property is most real property, tangible personal property and, for certain companies assessed by the Oregon Department of Revenue (DOR), intangible personal property. However, some property is exempt from property tax. Assessment and taxation are conducted at the county level, except for large industrial properties and “centrally assessed” properties which cross county lines, where DOR plays a major role.

Oregon Property Tax Basics

Until the 1990s, Oregon had a levy-based property tax. Measure 50 (M50) changed it to a permanent rate-based property tax, where taxes are based on fixed tax rates applied to property values, instead of being determined by the local budget process. Before voters passed M50 in May 1997, property tax was generally based on real market value (RMV).¹ Now the Oregon Constitution requires county assessors to determine property RMV, maximum assessed value (MAV), and assessed value (AV).² The AV operates as the property tax base. Property taxes are also capped by other tax limits in the Oregon Constitution, established when voters passed Measure 5 (M5) in November 1990.

Calculating the tax for a given property is a two-step process. Both steps proceed in two parts, one part for education taxing districts and one part for other government taxing districts. The first step calculates the property tax extended—a gross tax—as the product of property tax rates and AV.

property tax extended = education property tax extended + other government property tax extended,

or,

property tax extended = AV × education property tax rate + AV × other government property tax rate

In the second step, the property tax extended is checked against the M5 value (M5V) and rate limits.³ If either the education or other government portion of property tax extended exceed the M5 tax limits, individual taxing district rates are reduced proportionally until the limits are met. First, local option tax rates are reduced proportionally, and if the M5 tax limits are still not met, permanent tax rates are then reduced proportionally. Capping the tax extended on a property is called “compression”.

$$\begin{aligned} \text{education M5 limit} &= \text{M5V} \times \$5/\$1,000 \\ \text{other government M5 limit} &= \text{M5V} \times \$10/\$1,000 \end{aligned}$$

The result of the two-step process is the property tax imposed, the amount billed to taxpayers.⁴

property tax imposed = education property tax imposed + other government property tax imposed

¹ RMV is the amount in cash that could reasonably be expected to be paid by an informed buyer to an informed seller, each acting without compulsion in an arm’s-length transaction. RMV is determined as of the January 1 assessment date for the upcoming tax year beginning July 1.

² AV is the lower of a property’s MAV or RMV. MAV is a property’s maximum taxable value. In this section, AV numbers report the net assessed value (NAV). NAV is the value used to calculate district tax rates for dollar levies. It is total assessed value, plus nonprofit housing value and state fish and wildlife value, minus urban renewal excess value used.

³ For most property, except property that is exempt or specially assessed, the M5V is the RMV. In this section, RMV numbers report the M5V.

⁴ For property tax imposed by county and district type, and by fiscal year and district type, see Exhibits E-6 and E-7.

Property tax rates differ across the state. The total tax rate for a property is the sum of the tax rates for all taxing districts that the property is located in.⁵ For example, a property may have a total tax rate of \$14.85 per \$1,000 of RMV (often expressed as \$0.01485) composed of the sum of the individual district tax rates for education and other government.⁶ Since general obligation bonds are not subject to compression, a property may have an imposed tax rate that is higher than \$15 per \$1,000 of RMV, if general obligation bonds are present. Annually, county assessors verify the tax rates and general obligation bond levies submitted by local taxing districts. Tax collection and distribution of the revenue to local districts are done by county tax collectors.

Exemptions

Exempt property is not fully taxable.⁷ Major property tax exemptions include certain tangible personal property (household furnishings, sporting equipment), licensed property (automobiles, trailers), business inventories (finished goods, goods in process), and government property (unless leased to a taxable business or individual). Some exemptions are designed to change human behavior and achieve specific outcomes such as increasing housing supply or economic development. In some cases, owners of exempt property are required to make payments in lieu of tax (PILT). The payments are fees or charges to compensate, at least partially, for local government services that the exempt property owner chooses to consume.

When AV is reduced because it is based on a restricted use, the property is said to be “specially assessed”. This includes some forest land, farmland, wildlife habitat and open space land. Specially assessed property is subject to penalties if it is not continued in the restricted use for which it has been specially assessed.

Deferrals allow property tax to be paid later than it otherwise would be. Tax is due later, but the tax amount is not reduced. In some cases, deferrals have associated interest expense. Deferrals are less common than exemptions or special assessments.

Tax Limits

The current framework for Oregon’s property tax system is largely defined by two voter-approved ballot measures in the 1990s that made constitutional changes to limit property tax. Both of those measures are described in more detail below.

Measure 5

M5 is a constitutional tax limit approved by Oregon voters in November 1990. The tax limits were fully implemented in 1995-96, following stepwise implementation starting in 1991-92. M5 functions on a property-by-property basis and restricts property tax per \$1,000 of RMV. Education districts are collectively limited to \$5 and other government districts are collectively limited to \$10, resulting in a total limit of \$15. Property tax “compression” occurs when tax rates for a property must be lowered so that the tax imposed on the assessed value of the property does not exceed \$5/\$1,000 of RMV for education taxing districts and \$10/\$1,000 of RMV for other government taxing districts. That is, if tax extended for an individual property exceeds either of the limits, tax rates are reduced

⁵ Most property in Oregon is located in six to 12 taxing districts such as city, county, port, rural fire protection, K-12 school, and community college districts (DOR [Oregon Property Tax Statistics](#)). Properties that are subject to taxes from the same set of taxing districts are said to be in the same “code area”.

⁶ See Exhibit E-8 for the statewide average tax rate by district type and fiscal year.

⁷ The DOR produces the [Tax Expenditure Report](#) each biennium, with a section devoted to property tax expenditures. That section describes full exemptions, partial exemptions, special assessments, and deferrals. The Legislative Revenue Office (LRO) produces the [Property Tax Exemption Review](#) each biennium. It builds on the Tax Expenditure Report by providing additional information on the property tax expenditures scheduled to expire in the upcoming biennium.

proportionally until both limits are met. Local option tax rates are reduced first, then permanent tax rates are reduced. General obligation bonds are not subject to M5 tax limits.

Exhibit E-1 shows the average tax rate, RMV:AV ratio, and compression reduction by county.⁸ Tax rates and the RMV:AV ratio are the two primary components that cause a property to be “in compression”. No compression will occur if permanent and local option tax rates for a property are below the \$5 and \$10 limits. The RMV:AV ratio impacts whether a property is in compression because the M5 tax limits are calculated against RMV, but tax extended is the product of tax rates and AV. As such, an expanding RMV:AV ratio will decrease the likelihood that property is in compression. For example, Multnomah and Sherman counties had the most relative compression reduction (5.2 percent and 4.3 percent of tax extended within the limits, respectively) because Multnomah had the highest average tax rate and Sherman had the lowest RMV:AV ratio. Curry and Deschutes counties had some of the lowest relative compression reduction (0.0 percent and 0.3 percent of tax extended within the limits, respectively) because Curry had the lowest average tax rate and Deschutes had the highest RMV:AV ratio.

EXHIBIT E-1

| Average Tax Rate, RMV:AV Ratio, and Compression Reduction by County, 2023-24 | | | | | | | | |
|--|----------------------------------|---------------|-----------------------|----------------|----------------|----------------|----------------|----------------|
| County | Average Tax Rate (\$/\$1,000 AV) | RMV:AV Ratio | Compression Reduction | | | | | |
| | | | Other Government | | Education | | Total | |
| | | | \$ (thousands) | % of Tax Extd. | \$ (thousands) | % of Tax Extd. | \$ (thousands) | % of Tax Extd. |
| Baker | 13.82 | 166.0% | 146 | 1.0% | 661 | 5.6% | 806 | 3.0% |
| Benton | 17.78 | 188.9% | 277 | 0.3% | 1,890 | 2.7% | 2,167 | 1.3% |
| Clackamas | 17.78 | 191.7% | 987 | 0.2% | 9,200 | 2.3% | 10,187 | 1.1% |
| Clatsop | 13.70 | 207.5% | 63 | 0.1% | 587 | 1.3% | 649 | 0.7% |
| Columbia | 14.58 | 181.4% | 313 | 0.6% | 326 | 0.9% | 638 | 0.8% |
| Coos | 12.72 | 213.4% | 119 | 0.3% | 154 | 0.4% | 273 | 0.4% |
| Crook | 13.45 | 224.5% | 10 | 0.0% | 209 | 1.2% | 219 | 0.6% |
| Curry | 8.43 | 168.4% | 0 | 0.0% | 6 | 0.0% | 6 | 0.0% |
| Deschutes | 16.17 | 254.5% | 249 | 0.1% | 933 | 0.5% | 1,181 | 0.3% |
| Douglas | 10.97 | 155.3% | 137 | 0.2% | 763 | 1.2% | 900 | 0.7% |
| Gilliam | 11.49 | 123.5% | 23 | 0.3% | 180 | 3.0% | 204 | 1.6% |
| Grant | 13.03 | 158.6% | 3 | 0.1% | 33 | 0.9% | 35 | 0.4% |
| Harney | 14.18 | 170.1% | 109 | 1.8% | 108 | 2.7% | 217 | 2.1% |
| Hood River | 14.02 | 222.0% | 0 | 0.0% | 842 | 3.9% | 842 | 2.2% |
| Jackson | 14.14 | 176.5% | 71 | 0.0% | 817 | 0.6% | 888 | 0.3% |
| Jefferson | 16.61 | 239.6% | 350 | 1.8% | 288 | 2.3% | 637 | 2.0% |
| Josephine | 9.52 | 168.8% | 0 | 0.0% | 62 | 0.1% | 62 | 0.1% |
| Klamath | 12.08 | 204.3% | 597 | 1.3% | 1 | 0.0% | 598 | 0.8% |
| Lake | 13.49 | 171.2% | 150 | 2.2% | 26 | 0.6% | 176 | 1.6% |
| Lane | 16.69 | 206.5% | 1,115 | 0.3% | 4,367 | 1.7% | 5,483 | 0.9% |
| Lincoln | 15.16 | 195.2% | 1 | 0.0% | 130 | 0.3% | 131 | 0.1% |
| Linn | 17.12 | 192.4% | 2,965 | 2.5% | 842 | 1.2% | 3,807 | 2.0% |
| Malheur | 13.33 | 164.8% | 59 | 0.3% | 401 | 2.7% | 460 | 1.3% |
| Marion | 16.93 | 189.0% | 1,120 | 0.4% | 935 | 0.6% | 2,055 | 0.5% |
| Morrow | 14.46 | 205.2% | 1,132 | 3.4% | 710 | 3.4% | 1,841 | 3.4% |
| Multnomah | 23.57 | 218.1% | 65,747 | 5.0% | 38,654 | 5.4% | 104,401 | 5.2% |
| Polk | 15.81 | 200.0% | 0 | 0.0% | 209 | 0.5% | 209 | 0.2% |
| Sherman | 15.34 | 122.9% | 452 | 3.3% | 443 | 6.2% | 895 | 4.3% |
| Tillamook | 11.51 | 197.1% | 2 | 0.0% | 151 | 0.5% | 153 | 0.2% |
| Umatilla | 16.30 | 177.3% | 473 | 0.8% | 2,379 | 5.2% | 2,853 | 2.7% |
| Union | 13.96 | 171.7% | 149 | 0.8% | 160 | 1.2% | 309 | 1.0% |
| Wallowa | 11.59 | 217.0% | 0 | 0.0% | 41 | 0.7% | 41 | 0.4% |
| Wasco | 15.58 | 192.3% | 1,018 | 3.3% | 523 | 2.8% | 1,542 | 3.1% |
| Washington | 17.92 | 190.4% | 1,489 | 0.2% | 8,125 | 1.7% | 9,614 | 0.8% |
| Wheeler | 16.93 | 186.4% | 25 | 1.2% | 37 | 3.0% | 62 | 1.9% |
| Yamhill | 14.77 | 199.3% | 0 | 0.0% | 447 | 0.7% | 447 | 0.3% |
| Total | 17.40 | 199.9% | 79,348 | 1.7% | 75,640 | 2.4% | 154,989 | 2.0% |

Data sources: DOR, Oregon Property Tax Statistics, Summary of Assessment and Levies

⁸ The amount of compression is often called “compression reduction”. It is the difference of the tax extended and tax imposed, within the M5 limits.

The financial significance of compression also depends on factors outside of property tax. For example, some counties had their M50 permanent rates established when they were less reliant on property tax revenue because they received significant revenue from logging severance taxes and federal forest timber payments. Severance taxes have largely been eliminated and the federal forest payments have declined or evaporated since the permanent rates were established. Compression may restrict the ability for these counties to use voter approved local option taxes to offset some of the decline in revenue from severance taxes and federal forest payments.

Measure 50

In May 1997 voters passed M50, a constitutional amendment that established additional tax limits. Specifically, it reduced taxable property values, constrained future growth of taxable property values, and converted Oregon's property tax system from a levy-based system to a permanent rate-based system. M50 codified a permanent tax rate for each taxing district which can only be increased by a constitutional amendment. However, voters can approve local option taxes for up to five years for operation and up to 10 years for capital construction. Local option taxes and general obligation bonds must be approved by a majority vote at a general election. Prior to November 2008, a double majority (i.e., at least 50 percent of eligible voters) was needed to approve local option tax or general obligation bond proposals.

To reduce taxable property values and constrain their future growth, M50 created the concepts of AV and MAV. In 1997-98, the first year M50 was implemented, MAV for each property was set at 90 percent of the 1995-96 RMV. Under most circumstances, MAV growth is capped at 3 percent per year and the AV cannot exceed RMV. In other words, there is another two-step process under this constitutional provision. First, the current year MAV is set to the greater of (a) 103 percent of AV in the prior year or (b) 100 percent of MAV in the prior year. Then, AV is set as the lower of (a) the current MAV or (b) the current RMV.

To determine the property AV if an exception event occurs, M50 also created the concept of a changed property ratio (CPR).⁹ Specifically, if an exception event occurs, the AV is calculated as the product of the RMV and CPR. The CPR is the ratio of the average MAV to the average RMV, for a particular area and property class.¹⁰ The CPR may not be more than one. It is essentially the taxable share of RMV for a particular area and property class.

Exhibit E-2 reports the RMV, AV, and assessment ratio by county. The assessment ratio, AV:RMV, is like the CPR. Assessment ratios and CPRs both tend to decrease in times and places where there is substantial real estate market growth, particularly when RMV growth exceeds the typical MAV growth of 3 percent per year. For example, relatively high RMV growth in Central Oregon help explain why the lowest county-level assessment ratios are in Deschutes (39 percent) and Jefferson (42 percent). In contrast, the lowest county-level assessment ratios are in Sherman and Gilliam counties (both 81 percent), which have the second and third lowest county populations in Oregon. Similarly, due to considerable real estate market growth in recent decades, the statewide assessment ratio has decreased from 79 percent in 1997-98 to 50 percent in 2023-24.¹¹

⁹ An exception event occurs if the property is (A) new property or new improvements to property, (B) partitioned or subdivided, (C) rezoned, (D) first taken into account as omitted property, (E) becomes disqualified from exemption, partial exemption, or special assessment, or (F) subject to a lot line adjustment.

¹⁰ Property classes in Oregon include (1) residential, (2) commercial, (3) industrial, (4) tract, (5) farm, (6) forest, (7) multi-family, and (8) recreation.

¹¹ See Exhibit E-9 for the statewide RMV, AV, assessment ratio, and average tax rate for 1970 through 2023.

EXHIBIT E-2

| Real Market Value, Assessed Value, and Assessment Ratio by County | | | | | | | | | |
|---|--------------------|---------------|-------|-------------------|-------------|--------|----------------------|---------|--------|
| County | RMV (\$ thousands) | | | AV (\$ thousands) | | | Assessment Ratio (%) | | |
| | 2022-23 | 2023-24 | % CH. | 2022-23 | 2023-24 | % CH. | 2022-23 | 2023-24 | % CH. |
| Baker | 3,030,789 | 3,266,939 | 7.8% | 1,952,889 | 1,968,189 | 0.8% | 64.4% | 60.2% | -6.5% |
| Benton | 18,551,250 | 20,206,138 | 8.9% | 10,291,784 | 10,694,677 | 3.9% | 55.5% | 52.9% | -4.6% |
| Clackamas | 110,643,407 | 117,353,947 | 6.1% | 58,117,240 | 61,226,722 | 5.4% | 52.5% | 52.2% | -0.7% |
| Clatsop | 14,527,101 | 16,305,298 | 12.2% | 7,242,725 | 7,859,834 | 8.5% | 49.9% | 48.2% | -3.3% |
| Columbia | 11,350,840 | 11,695,770 | 3.0% | 6,263,677 | 6,449,162 | 3.0% | 55.2% | 55.1% | -0.1% |
| Coos | 11,661,020 | 13,485,298 | 15.6% | 6,122,019 | 6,319,890 | 3.2% | 52.5% | 46.9% | -10.7% |
| Crook | 6,141,512 | 7,021,484 | 14.3% | 2,865,835 | 3,127,765 | 9.1% | 46.7% | 44.5% | -4.5% |
| Curry | 5,861,408 | 6,270,759 | 7.0% | 3,574,043 | 3,724,587 | 4.2% | 61.0% | 59.4% | -2.6% |
| Deschutes | 73,168,841 | 80,494,440 | 10.0% | 29,951,563 | 31,626,230 | 5.6% | 40.9% | 39.3% | -4.0% |
| Douglas | 16,691,462 | 18,008,985 | 7.9% | 11,102,367 | 11,595,814 | 4.4% | 66.5% | 64.4% | -3.2% |
| Gilliam | 1,334,714 | 1,411,759 | 5.8% | 1,090,308 | 1,142,920 | 4.8% | 81.7% | 81.0% | -0.9% |
| Grant | 1,007,886 | 1,098,766 | 9.0% | 671,097 | 692,752 | 3.2% | 66.6% | 63.0% | -5.3% |
| Harney | 1,163,586 | 1,221,252 | 5.0% | 691,559 | 718,030 | 3.8% | 59.4% | 58.8% | -1.1% |
| Hood River | 6,580,515 | 6,987,558 | 6.2% | 3,046,758 | 3,147,460 | 3.3% | 46.3% | 45.0% | -2.7% |
| Jackson | 43,792,677 | 44,590,909 | 1.8% | 24,207,562 | 25,263,038 | 4.4% | 55.3% | 56.7% | 2.5% |
| Jefferson | 4,785,558 | 5,485,198 | 14.6% | 2,072,516 | 2,289,433 | 10.5% | 43.3% | 41.7% | -3.6% |
| Josephine | 15,027,063 | 15,815,864 | 5.2% | 9,048,307 | 9,371,276 | 3.6% | 60.2% | 59.3% | -1.6% |
| Klamath | 11,848,003 | 14,184,709 | 19.7% | 6,607,136 | 6,943,704 | 5.1% | 55.8% | 49.0% | -12.2% |
| Lake | 1,400,879 | 1,445,496 | 3.2% | 889,223 | 844,136 | -5.1% | 63.5% | 58.4% | -8.0% |
| Lane | 77,479,432 | 83,877,140 | 8.3% | 39,071,214 | 40,627,019 | 4.0% | 50.4% | 48.4% | -3.9% |
| Lincoln | 15,539,649 | 18,006,680 | 15.9% | 8,882,172 | 9,223,878 | 3.8% | 57.2% | 51.2% | -10.4% |
| Linn | 22,348,424 | 23,978,550 | 7.3% | 11,869,682 | 12,465,751 | 5.0% | 53.1% | 52.0% | -2.1% |
| Malheur | 3,827,780 | 4,493,108 | 17.4% | 2,593,363 | 2,725,777 | 5.1% | 67.8% | 60.7% | -10.5% |
| Marion | 55,191,679 | 57,849,267 | 4.8% | 29,256,503 | 30,600,790 | 4.6% | 53.0% | 52.9% | -0.2% |
| Morrow | 6,982,481 | 8,110,121 | 16.1% | 3,759,690 | 3,951,991 | 5.1% | 53.8% | 48.7% | -9.5% |
| Multnomah | 208,773,182 | 210,405,126 | 0.8% | 89,180,859 | 96,474,841 | 8.2% | 42.7% | 45.9% | 7.3% |
| Polk | 13,706,633 | 14,867,072 | 8.5% | 7,147,899 | 7,433,052 | 4.0% | 52.1% | 50.0% | -4.1% |
| Sherman | 811,317 | 1,609,881 | 98.4% | 644,850 | 1,309,467 | 103.1% | 79.5% | 81.3% | 2.3% |
| Tillamook | 10,837,440 | 12,245,459 | 13.0% | 5,955,887 | 6,211,981 | 4.3% | 55.0% | 50.7% | -7.7% |
| Umatilla | 11,848,484 | 13,566,112 | 14.5% | 7,387,993 | 7,650,239 | 3.5% | 62.4% | 56.4% | -9.6% |
| Union | 3,916,375 | 4,116,328 | 5.1% | 2,285,040 | 2,397,051 | 4.9% | 58.3% | 58.2% | -0.2% |
| Wallowa | 2,173,296 | 2,242,768 | 3.2% | 992,863 | 1,033,425 | 4.1% | 45.7% | 46.1% | 0.9% |
| Wasco | 5,831,739 | 6,257,817 | 7.3% | 3,087,616 | 3,254,310 | 5.4% | 52.9% | 52.0% | -1.8% |
| Washington | 145,221,596 | 152,132,176 | 4.8% | 76,267,089 | 79,918,315 | 4.8% | 52.5% | 52.5% | 0.0% |
| Wheeler | 330,263 | 364,800 | 10.5% | 182,490 | 195,718 | 7.2% | 55.3% | 53.7% | -2.9% |
| Yamhill | 21,280,443 | 22,758,758 | 6.9% | 10,866,229 | 11,420,199 | 5.1% | 51.1% | 50.2% | -1.7% |
| Statewide | 964,668,720 | 1,023,231,730 | -5.7% | 485,240,045 | 511,899,423 | -5.2% | 50.3% | 50.0% | -0.5% |

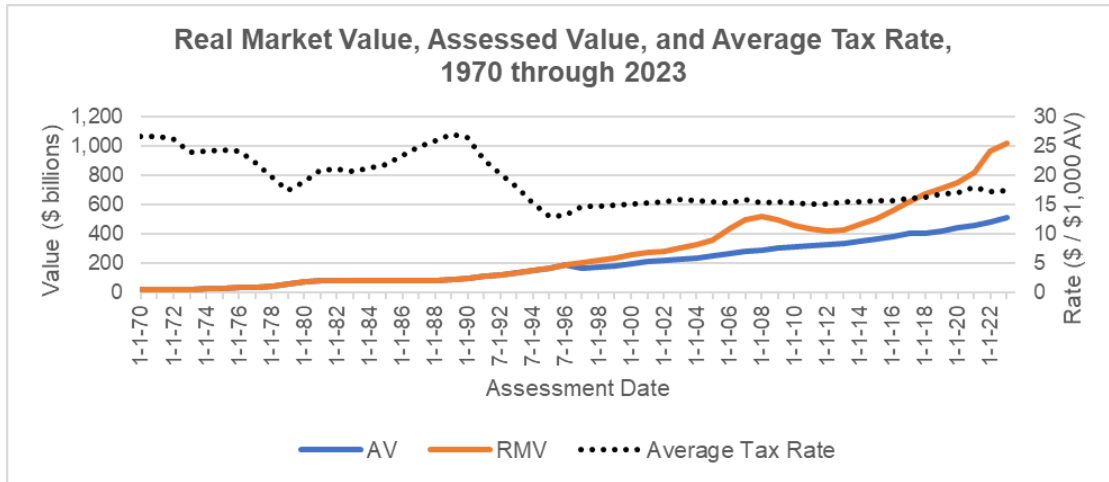
Data source: DOR, Oregon Property Tax Statistics

Statistical Summary of Property Values and District Taxes Imposed

Exhibit E-3 shows the statewide RMV, AV, and average tax rate from 1970 through 2023.¹² In 2023, the RMV for taxable property in Oregon was \$1 trillion, a 6.1 percent increase over the prior year. AV increased by 5.5 percent to \$512 billion. The average tax rate was \$17.40 per \$1,000 of AV, a 0.6 percent increase over the prior year. The decline in the average tax rate in the early 1990s reflects the stepwise implementation of M5 tax limits, starting in 1991-92 and fully implemented in 1995-96. One reason why the 1997 AV was lower than the 1996 RMV is because M50 required the 1997-98 MAV for each property to be set at 90 percent of the 1995-96 RMV. The tendency for a widening gap between AV and RMV is consistent with how M50 capped MAV growth at 3 percent per year. This means the RMV:AV ratio has tended to increase over time and the likelihood that a property is in compression has tended to decrease, holding all else equal. However, the recent upward trend in the average tax rate is at least partially attributable to local option taxes since 1999, which increase the likelihood that properties in those districts will be in compression, holding all else equal.

¹² To see data for Exhibit E-3 in a table, see Exhibit E-9.

EXHIBIT E-3



Data source: DOR, Summary of Assessment and Levies

Exhibit E-4 breaks down the recent statewide tax imposed by district type and tax source. Tax imposed is the amount collectible.¹³ Tax imposed for all taxing districts and tax sources was \$9.1 billion in 2023-24, an increase of 5.1 percent. Tax imposed can increase by more than the typical 3 percent annual MAV growth for a variety of reasons, such as new construction, and new local option taxes and bond levies. Other government accounted for 52 percent of tax imposed, education accounted for 45 percent, and urban renewal agencies accounted for 3 percent.¹⁴ Tax imposed for K-12 schools was higher than all other district types, totaling \$3.6 billion or 39 percent of the total.

EXHIBIT E-4

| Tax Imposed by District Type and Tax Source, 2022-23 and 2023-24 (\$ millions) | | | | | | | | | | | | |
|--|------------------------|--------------|-------------|--------------|------------|-------------|--------------|--------------|-------------|--------------|--------------|-------------|
| District Type | Permanent ^a | | | Local Option | | | Bond | | | Total | | |
| | 22-23 | 23-24 | % CH. | 22-23 | 23-24 | % CH. | 22-23 | 23-24 | % CH. | 22-23 | 23-24 | % CH. |
| Other Government | | | | | | | | | | | | |
| Counties | 1,208 | 1,286 | 6.5% | 175 | 193 | 10.1% | 72 | 72 | 0.3% | 1,455 | 1,552 | 6.6% |
| Cities | 1,528 | 1,617 | 5.8% | 165 | 176 | 6.4% | 104 | 112 | 7.7% | 1,797 | 1,905 | 6.0% |
| Special Districts | 965 | 1,032 | 7.0% | 126 | 155 | 22.4% | 136 | 146 | 7.2% | 1,227 | 1,333 | 8.6% |
| Education | | | | | | | | | | | | |
| K-12 | 2,258 | 2,381 | 5.4% | 272 | 283 | 4.3% | 881 | 934 | 5.9% | 3,411 | 3,598 | 5.5% |
| ESDs | 160 | 169 | 6.1% | 0 | 0 | N/A | 0 | 0 | N/A | 160 | 169 | 6.1% |
| Community Colleges | 221 | 232 | 5.1% | 0 | 0 | N/A | 119 | 118 | -0.8% | 340 | 350 | 3.0% |
| Non-UR Subtotal | 6,339 | 6,718 | 6.0% | 739 | 807 | 9.2% | 1,313 | 1,382 | 5.3% | 8,391 | 8,907 | 6.2% |
| Urban Renewal Agencies | | | | | | | | | | | | |
| Division of Tax | | | | | | | | | | 288 | 234 | -19.0% |
| Special Levies | | | | | | | | | | 19 | 4 | -78.2% |
| Total | 6,339 | 6,718 | 6.0% | 739 | 807 | 9.2% | 1,313 | 1,382 | 5.3% | 8,698 | 9,145 | 5.1% |

^a Includes taxes levied for City of Portland Fire and Police Disability and Retirement Fund.

Data source: DOR, Summary of Assessment and Levies

¹³ For a history of property tax collected, see Exhibit A-6.

¹⁴ Urban renewal agencies use an economic development tool known as “tax increment financing” (TIF) to generate revenue for urban renewal purposes. TIF revenue is from any increase in property taxes due to increases in taxable values. The taxable value growth above the base is called the “increment” or “excess value”, and revenue for urban renewal agencies is called “tax off the increment”. The sharing of revenue between taxing districts that get tax from the base value and Urban Renewal agencies that get tax from the increment is called “division of tax”.

Permanent rate tax imposed totaled \$6.7 billion in 2023-24, accounting for 73 percent of total property tax imposed. In 2023-24, permanent rate tax imposed grew by 6.0 percent from the prior year. Other government accounted for 59 percent of permanent rate tax imposed, and education accounted for 41 percent. Permanent rate tax imposed for K-12 schools was higher than all other district types, totaling \$2.4 billion or 35 percent of the permanent rate total.

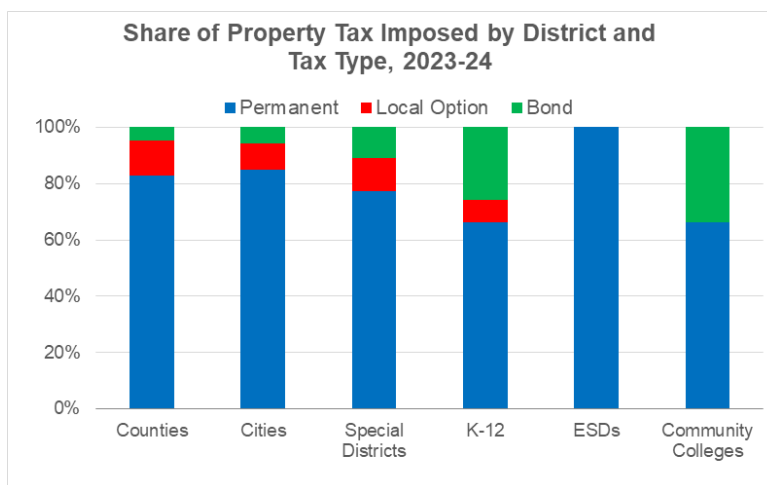
General obligation bond levies are the second largest source of property tax imposed. Bond tax imposed increased by 5.3 percent over the prior year, reaching \$1.4 billion and accounting for 15 percent of total tax imposed. Other government accounted for 24 percent of bond tax imposed, and education accounted for 76 percent. K-12 schools accounted for 68 percent of all bond tax imposed.

Besides tax imposed for urban renewal agencies, local option tax is the smallest source of property tax imposed. Local option tax imposed increased by 9.2 percent over the prior year, reaching \$807 million and accounting for 9 percent of total property tax imposed. Other government accounted for 65 percent of local option tax imposed, and education accounted for 35 percent. Local option tax imposed for education was fully attributable to K-12 school districts.

In terms of taxing district types, total tax imposed for county, city, and special districts grew over the prior year by 6.6 percent, 6.0 percent, and 8.6 percent, respectively. Total tax imposed for K-12, education service, and community college districts increased over the prior year by 5.5 percent, 6.1 percent, and 3.0 percent, respectively. For urban renewal agencies, the division of tax and special levies decreased by 19.0 percent and 78.2 percent, respectively, compared to the prior year.

Exhibit E-5 shows the current statewide shares of property tax imposed by district and tax type. Permanent rates are the largest revenue source for all district types, accounting for 66 to 100 percent of tax imposed, depending on the district. Permanent rates are the only revenue source for education service districts (ESDs) and are the smallest revenue source for K-12 districts. General obligation bonds have been a more important revenue source since M50, especially for K-12 and community college districts. For example, in 1999-2000, general obligation bonds accounted for 22 percent and 17 percent of tax imposed for K-12 and community college districts, respectively, compared to 26 percent and 34 percent in 2023-24. Local option taxes, which were created in 1999, have also become an important revenue source for most district types, accounting for about 10 percent of tax imposed for counties, special districts, cities, and K-12 districts.

EXHIBIT E-5



Data source: DOR, Summary of Assessment and Levies

EXHIBIT E-6

| Tax Imposed by County and District Type, FY 2023-24 | | | | | | | | | | | | | | |
|---|---------------|--------|---------------|--------|-------------------|-------|----------------|-------|-------------------|--------|---------------|--------|--------------------|-------|
| County | County | | Cities | | Special Districts | | Schools & ESDs | | Community College | | Urban Renewal | | All Districts & UR | |
| | Imposed | % CH. | Imposed | % CH. | Imposed | % CH. | Imposed | % CH. | Imposed | % CH. | Imposed | % CH. | Imposed | % CH. |
| Baker | 7,399,413 | 0.8% | 4,962,164 | 6.8% | 2,770,519 | 2.6% | 10,771,272 | 0.8% | 1,304,309 | 0.3% | 0 | N/A | 27,207,676 | 2.0% |
| Benton | 33,141,188 | 4.0% | 49,122,942 | 3.8% | 16,233,519 | 4.0% | 83,935,577 | 3.8% | 7,675,581 | 2.9% | 1,217,948 | 14.5% | 191,326,755 | 4.5% |
| Clackamas | 191,887,625 | 5.1% | 132,908,821 | 6.6% | 215,259,685 | 13.6% | 502,513,988 | 4.9% | 46,088,302 | 4.6% | 33,821,734 | -15.7% | 1,122,480,156 | 10.1% |
| Clatsop | 13,782,360 | 7.7% | 19,072,462 | 6.8% | 16,486,314 | 10.0% | 51,293,690 | 6.7% | 7,079,903 | 6.9% | 2,050,717 | 12.4% | 109,765,446 | 9.4% |
| Columbia | 14,633,365 | 18.5% | 9,081,231 | 2.6% | 24,969,505 | 3.2% | 42,294,137 | 2.8% | 3,061,918 | -0.2% | 2,474,503 | 43.0% | 96,514,659 | 7.7% |
| Coos | 8,115,049 | -11.7% | 17,556,076 | 2.6% | 16,266,446 | 3.2% | 34,115,162 | 3.2% | 4,358,626 | 3.3% | 5,603,985 | 4.4% | 86,015,344 | 8.4% |
| Crook | 12,918,988 | 9.2% | 3,017,830 | 6.5% | 6,948,922 | 8.8% | 17,025,629 | 9.4% | 2,168,321 | 9.6% | 0 | N/A | 42,079,691 | 9.0% |
| Curry | 2,233,302 | 4.2% | 4,808,877 | 4.8% | 6,003,528 | 3.9% | 15,748,873 | 8.1% | 2,612,815 | 4.2% | 938,158 | 7.9% | 32,345,553 | 9.3% |
| Deschutes | 40,413,182 | 10.8% | 67,785,088 | 4.8% | 167,217,699 | 13.2% | 213,915,383 | 4.9% | 22,111,589 | 6.2% | 8,266,729 | 12.2% | 519,709,671 | 9.7% |
| Douglas | 12,887,364 | 4.5% | 29,906,634 | 4.9% | 20,712,349 | 4.6% | 58,293,556 | 4.5% | 5,353,384 | 4.5% | 2,118,869 | 31.1% | 129,272,157 | 6.4% |
| Gilliam | 4,387,220 | 4.9% | 671,985 | 5.5% | 1,940,198 | 5.0% | 6,132,866 | 4.7% | 0 | N/A | 0 | N/A | 13,132,269 | 4.9% |
| Grant | 1,995,737 | 3.2% | 947,167 | 2.6% | 2,286,543 | 3.2% | 3,797,260 | 3.5% | 0 | N/A | 98,640 | 24.5% | 9,125,347 | 4.4% |
| Harney | 3,188,949 | 4.4% | 1,346,421 | 8.9% | 1,519,994 | 4.7% | 4,129,751 | 4.0% | 0 | N/A | 59,189 | -76.6% | 10,244,304 | 5.4% |
| Hood River | 7,034,267 | 3.4% | 3,763,421 | 3.1% | 6,704,656 | 3.1% | 24,883,099 | 3.5% | 1,729,045 | -12.0% | 1,622,171 | 7.4% | 45,736,658 | 6.5% |
| Jackson | 52,524,300 | 4.0% | 76,915,934 | 4.1% | 58,343,118 | 4.7% | 153,127,477 | 4.0% | 16,269,557 | 1.4% | 6,854,361 | 7.2% | 364,034,747 | 6.0% |
| Jefferson | 11,919,191 | 10.9% | 2,595,323 | 7.4% | 5,994,508 | 8.6% | 15,941,689 | 8.9% | 1,579,518 | 10.9% | 1,354,546 | 27.7% | 39,384,775 | 13.3% |
| Josephine | 15,458,714 | 3.6% | 22,813,787 | 3.2% | 4,441,926 | -8.6% | 41,287,210 | 3.6% | 5,248,155 | 2.6% | 2,161,292 | 7.3% | 91,411,085 | 5.2% |
| Klamath | 12,279,813 | 5.6% | 10,252,943 | 7.1% | 24,157,995 | 5.8% | 34,216,220 | 3.6% | 3,000,525 | 5.1% | 881,824 | 13.3% | 84,789,320 | 6.1% |
| Lake | 3,132,793 | -4.7% | 961,480 | 5.1% | 3,048,811 | -2.1% | 4,139,693 | -6.4% | 107,712 | 3.0% | 0 | N/A | 11,390,490 | -3.9% |
| Lane | 82,283,826 | 13.0% | 211,275,789 | 4.3% | 52,163,179 | 3.9% | 293,822,238 | 3.7% | 38,544,898 | 4.0% | 13,360,684 | 12.5% | 691,450,613 | 7.0% |
| Lincoln | 26,013,427 | 3.8% | 25,517,185 | 3.6% | 30,300,176 | 4.8% | 54,318,277 | 4.4% | 3,658,341 | 3.0% | 6,076,888 | 8.0% | 145,884,294 | 8.7% |
| Linn | 52,486,533 | 5.8% | 50,637,452 | 4.9% | 17,017,960 | 3.5% | 84,016,871 | 3.0% | 9,202,596 | 3.9% | 8,587,670 | 2.9% | 221,949,082 | 8.4% |
| Malheur | 7,024,079 | 5.1% | 6,229,837 | 6.2% | 6,165,955 | 3.7% | 13,819,534 | 4.4% | 3,099,580 | 5.2% | 0 | N/A | 36,338,985 | 4.8% |
| Marion | 92,289,497 | 4.6% | 121,343,645 | 4.5% | 55,720,167 | 4.3% | 221,828,233 | 5.1% | 26,837,523 | 2.7% | 20,681,889 | -20.6% | 538,700,954 | 8.8% |
| Morrow | 16,049,582 | 21.2% | 5,347,595 | 28.7% | 13,912,962 | 5.0% | 18,554,624 | 5.4% | 3,262,344 | 5.0% | 173,023 | -31.7% | 57,300,129 | 11.6% |
| Multnomah | 465,399,329 | 7.5% | 708,699,975 | 7.5% | 190,467,844 | 7.9% | 851,971,402 | 6.8% | 57,313,979 | 2.3% | 75,158,542 | -48.3% | 2,349,011,070 | 10.7% |
| Polk | 16,583,094 | 7.6% | 28,990,660 | 2.9% | 9,811,043 | 3.8% | 55,637,043 | 8.2% | 6,482,323 | 1.8% | 4,566,786 | 11.8% | 122,070,948 | 10.1% |
| Sherman | 11,083,350 | 103.4% | 277,533 | 6.4% | 2,051,060 | 99.9% | 6,679,936 | 97.6% | 0 | N/A | 0 | N/A | 20,091,878 | 98.6% |
| Tillamook | 15,618,268 | 3.5% | 2,984,422 | 16.3% | 14,388,738 | 9.6% | 35,684,246 | 4.6% | 2,838,478 | 19.0% | 853,077 | 4.3% | 72,367,229 | 7.6% |
| Umatilla | 21,674,058 | 3.7% | 22,723,440 | 5.8% | 17,602,099 | 5.3% | 56,488,334 | 4.8% | 6,240,922 | 3.7% | 1,433,054 | -0.4% | 126,161,907 | 6.0% |
| Union | 7,360,531 | 4.9% | 7,364,260 | 4.3% | 2,761,015 | 5.7% | 15,968,570 | 3.5% | 0 | N/A | 937,154 | 0.6% | 34,391,530 | 7.1% |
| Wallowa | 2,817,722 | 4.1% | 1,396,004 | 4.0% | 1,574,217 | 4.0% | 6,184,687 | 4.0% | 0 | N/A | 0 | N/A | 11,972,630 | 4.0% |
| Wasco | 13,461,669 | 5.4% | 5,544,555 | 3.7% | 11,500,273 | 3.8% | 18,431,789 | 5.1% | 1,772,755 | -11.2% | 1,688,155 | -2.0% | 52,399,196 | 7.5% |
| Washington | 241,398,651 | 4.9% | 220,168,469 | 8.9% | 279,092,970 | 6.6% | 639,579,254 | 6.6% | 51,960,911 | 0.4% | 33,033,017 | 28.5% | 1,465,233,272 | 8.8% |
| Wheeler | 1,654,326 | 8.4% | 248,843 | 4.5% | 229,175 | 6.8% | 1,181,860 | 7.9% | 0 | N/A | 0 | N/A | 3,314,203 | 7.8% |
| Yamhill | 29,435,872 | 5.1% | 27,817,448 | -10.6% | 26,948,538 | 44.2% | 75,531,300 | 4.1% | 8,951,193 | 2.3% | 1,791,710 | 55.6% | 170,476,061 | 7.2% |
| Total | 1,551,966,631 | 6.8% | 1,905,057,697 | 6.0% | 1,333,013,605 | 8.6% | 3,767,260,731 | 5.5% | 349,915,103 | 3.0% | 237,866,315 | -22.2% | 9,145,080,083 | 5.2% |

Note: If the % CH. column has an N/A, this means that the county had no revenue in the prior year.

Data source: DOR, Summary of Assessment and Levies

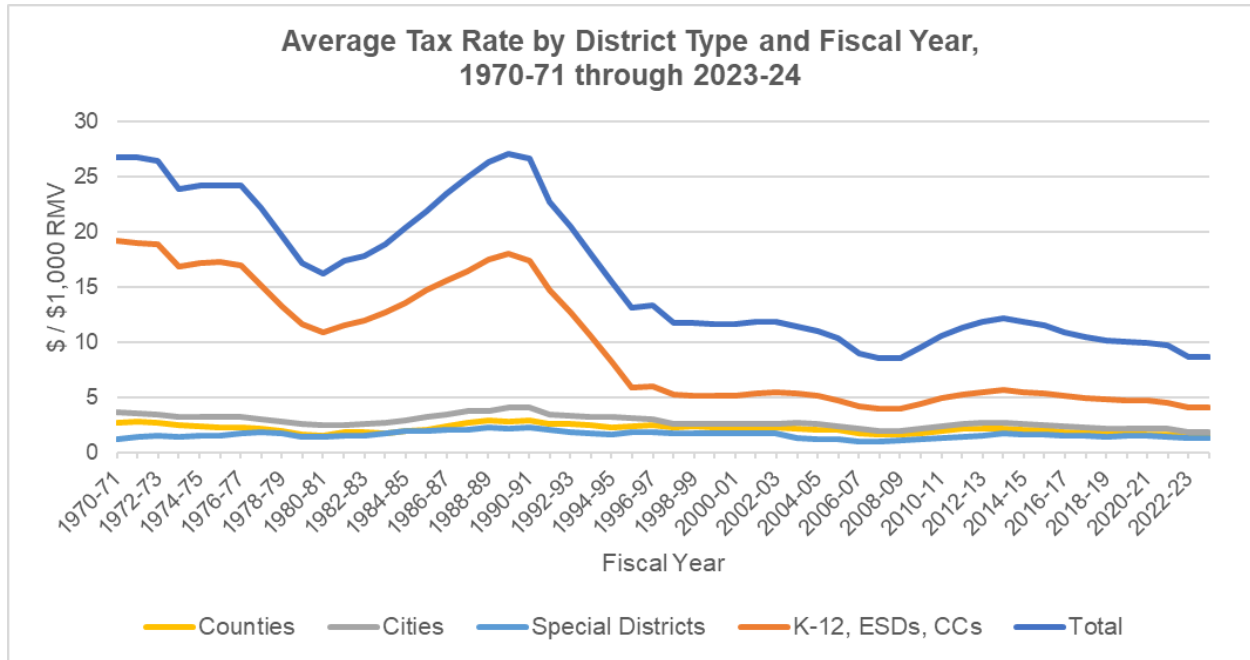
EXHIBIT E-7

| Tax Imposed by Fiscal Year and District Type (\$ millions), 1970-71 through 2023-24 | | | | | | | | | | | | |
|---|----------|-------|---------|-------|-------------------|--------|-------------|--------|--------------------|--------|---------|-------|
| Fiscal Year | Counties | | Cities | | Special Districts | | K-12 & ESDs | | Community Colleges | | Total | |
| | Imposed | % CH. | Imposed | % CH. | Imposed | % CH. | Imposed | % CH. | Imposed | % CH. | Imposed | % CH. |
| 1970-71 | 51.3 | 3.4% | 69.4 | 10.5% | 22.2 | 18.1% | 341.4 | 11.1% | 18.9 | 32.2% | 503.2 | 11.1% |
| 1971-72 | 56.5 | 10.1% | 71.1 | 2.4% | 28.2 | 27.0% | 364.5 | 6.8% | 21.0 | 11.1% | 541.3 | 7.6% |
| 1972-73 | 58.4 | 3.4% | 75.2 | 5.8% | 32.9 | 16.7% | 394.6 | 8.3% | 22.8 | 8.6% | 583.9 | 7.9% |
| 1973-74 | 61.1 | 4.6% | 81.0 | 7.7% | 34.6 | 5.2% | 394.4 | -0.1% | 24.2 | 6.1% | 595.3 | 2.0% |
| 1974-75 | 65.8 | 7.7% | 91.8 | 13.3% | 42.4 | 22.5% | 458.9 | 16.4% | 28.2 | 16.5% | 687.1 | 15.4% |
| 1975-76 | 71.2 | 8.2% | 103.1 | 12.3% | 49.6 | 17.0% | 521.3 | 13.6% | 33.3 | 18.1% | 778.5 | 13.3% |
| 1976-77 | 79.4 | 11.5% | 115.6 | 12.1% | 61.1 | 23.2% | 567.8 | 8.9% | 36.1 | 8.4% | 860.0 | 10.5% |
| 1977-78 | 85.7 | 7.9% | 124.4 | 7.6% | 73.8 | 20.8% | 577.2 | 1.7% | 39.9 | 10.5% | 901.0 | 4.8% |
| 1978-79 | 88.1 | 2.8% | 132.0 | 6.1% | 79.2 | 7.3% | 575.8 | -0.2% | 40.9 | 2.5% | 916.0 | 1.7% |
| 1979-80 | 94.3 | 7.0% | 152.7 | 15.7% | 83.4 | 5.3% | 636.2 | 10.5% | 47.8 | 16.9% | 1,014.4 | 10.7% |
| 1980-81 | 107.6 | 14.1% | 183.9 | 20.4% | 100.1 | 20.0% | 743.5 | 16.9% | 56.2 | 17.6% | 1,191.3 | 17.4% |
| 1981-82 | 150.1 | 39.5% | 206.7 | 12.4% | 124.5 | 24.4% | 889.5 | 19.6% | 64.8 | 15.3% | 1,435.6 | 20.5% |
| 1982-83 | 159.2 | 6.1% | 220.4 | 6.6% | 134.6 | 8.1% | 958.8 | 7.8% | 70.6 | 9.0% | 1,543.6 | 7.5% |
| 1983-84 | 149.0 | -6.4% | 233.4 | 5.9% | 145.9 | 8.4% | 1,010.1 | 5.4% | 73.9 | 4.7% | 1,612.3 | 4.5% |
| 1984-85 | 163.7 | 9.9% | 251.6 | 7.8% | 163.4 | 12.0% | 1,081.8 | 7.1% | 79.5 | 7.6% | 1,740.0 | 7.9% |
| 1985-86 | 173.3 | 5.9% | 267.6 | 6.4% | 157.1 | -3.9% | 1,139.2 | 5.3% | 82.0 | 3.1% | 1,819.2 | 4.6% |
| 1986-87 | 198.6 | 14.6% | 289.0 | 8.0% | 167.0 | 6.3% | 1,199.0 | 5.2% | 92.9 | 13.3% | 1,946.5 | 7.0% |
| 1987-88 | 223.9 | 12.7% | 309.9 | 7.2% | 172.9 | 3.5% | 1,269.2 | 5.9% | 97.0 | 4.4% | 2,072.9 | 6.5% |
| 1988-89 | 243.1 | 8.6% | 318.5 | 2.8% | 187.3 | 8.3% | 1,368.8 | 7.8% | 106.0 | 9.3% | 2,223.7 | 7.3% |
| 1989-90 | 248.3 | 2.1% | 359.9 | 13.0% | 193.4 | 3.3% | 1,475.2 | 7.8% | 109.2 | 3.0% | 2,386.0 | 7.3% |
| 1990-91 | 282.1 | 13.6% | 390.4 | 8.5% | 212.7 | 10.0% | 1,550.4 | 5.1% | 115.0 | 5.3% | 2,550.6 | 6.9% |
| 1991-92 | 292.1 | 3.5% | 382.7 | -2.0% | 224.9 | 5.7% | 1,537.7 | -0.8% | 112.5 | -2.2% | 2,549.9 | 0.0% |
| 1992-93 | 314.7 | 7.7% | 416.8 | 8.9% | 224.0 | -0.4% | 1,461.3 | -5.0% | 112.2 | -0.3% | 2,529.0 | -0.8% |
| 1993-94 | 336.3 | 6.9% | 447.2 | 7.3% | 238.8 | 6.6% | 1,340.4 | -8.3% | 103.6 | -7.7% | 2,466.4 | -2.5% |
| 1994-95 | 353.8 | 5.2% | 494.1 | 10.5% | 256.3 | 7.3% | 1,175.6 | -12.3% | 90.1 | -13.0% | 2,369.8 | -3.9% |
| 1995-96 | 398.8 | 12.7% | 533.5 | 8.0% | 310.1 | 21.0% | 927.2 | -21.1% | 78.6 | -12.8% | 2,248.2 | -5.1% |
| 1996-97 | 470.5 | 18.0% | 568.8 | 6.6% | 353.6 | 14.0% | 1,045.9 | 12.8% | 89.0 | 13.2% | 2,527.9 | 12.4% |
| 1997-98 | 469.6 | -0.2% | 549.1 | -3.5% | 363.7 | 2.9% | 1,005.1 | -3.9% | 88.9 | -0.1% | 2,476.5 | -2.0% |
| 1998-99 | 514.7 | 9.6% | 579.9 | 5.6% | 381.0 | 4.8% | 1,049.1 | 4.4% | 93.1 | 4.7% | 2,617.8 | 5.7% |
| 1999-00 | 536.9 | 4.3% | 625.9 | 7.9% | 405.6 | 6.4% | 1,135.4 | 8.2% | 97.8 | 5.1% | 2,801.5 | 7.0% |
| 2000-01 | 574.2 | 7.0% | 664.4 | 6.1% | 441.3 | 8.8% | 1,229.2 | 8.3% | 105.1 | 7.4% | 3,014.0 | 7.6% |
| 2001-02 | 618.7 | 7.7% | 699.0 | 5.2% | 469.1 | 6.3% | 1,337.8 | 8.8% | 127.3 | 21.1% | 3,251.9 | 7.9% |
| 2002-03 | 638.5 | 3.2% | 733.6 | 4.9% | 489.0 | 4.2% | 1,424.7 | 6.5% | 128.8 | 1.2% | 3,414.6 | 5.0% |
| 2003-04 | 660.3 | 3.4% | 804.0 | 9.6% | 404.6 | -17.3% | 1,500.9 | 5.3% | 134.0 | 4.0% | 3,611.1 | 5.8% |
| 2004-05 | 691.7 | 4.8% | 833.7 | 3.7% | 392.0 | -3.1% | 1,550.5 | 3.3% | 146.5 | 9.4% | 3,763.9 | 4.2% |
| 2005-06 | 723.0 | 4.5% | 873.6 | 4.8% | 422.0 | 7.6% | 1,569.9 | 1.3% | 155.4 | 6.0% | 3,899.1 | 3.6% |
| 2006-07 | 746.5 | 3.3% | 920.5 | 5.4% | 444.2 | 5.3% | 1,640.0 | 4.5% | 161.3 | 3.8% | 4,077.4 | 4.6% |
| 2007-08 | 810.7 | 8.6% | 969.6 | 5.3% | 515.8 | 16.1% | 1,817.3 | 10.8% | 165.6 | 2.6% | 4,470.4 | 9.6% |
| 2008-09 | 852.3 | 5.1% | 1,001.4 | 3.3% | 550.5 | 6.7% | 1,899.9 | 4.5% | 175.0 | 5.7% | 4,676.4 | 4.6% |
| 2009-10 | 882.6 | 3.6% | 1,065.2 | 6.4% | 606.5 | 10.2% | 2,005.6 | 5.6% | 196.9 | 12.5% | 4,969.0 | 6.3% |
| 2010-11 | 900.2 | 2.0% | 1,089.1 | 2.2% | 616.8 | 1.7% | 2,035.3 | 1.5% | 200.8 | 2.0% | 5,051.9 | 1.7% |
| 2011-12 | 914.1 | 1.5% | 1,100.7 | 1.1% | 620.1 | 0.5% | 2,085.8 | 2.5% | 203.5 | 1.3% | 5,133.5 | 1.6% |
| 2012-13 | 924.4 | 1.1% | 1,118.6 | 1.6% | 638.7 | 3.0% | 2,098.0 | 0.6% | 214.1 | 5.2% | 5,200.8 | 1.3% |
| 2013-14 | 924.4 | 0.0% | 1,148.8 | 2.7% | 739.8 | 15.8% | 2,232.8 | 6.4% | 225.6 | 5.4% | 5,483.6 | 5.4% |
| 2014-15 | 965.3 | 4.4% | 1,209.3 | 5.3% | 783.0 | 5.9% | 2,348.3 | 5.2% | 234.8 | 4.1% | 5,760.4 | 5.0% |
| 2015-16 | 1,010.5 | 4.7% | 1,267.5 | 4.8% | 825.4 | 5.4% | 2,480.8 | 5.6% | 233.2 | -0.7% | 6,038.5 | 4.8% |
| 2016-17 | 1,050.4 | 3.9% | 1,318.3 | 4.0% | 870.2 | 5.4% | 2,586.3 | 4.3% | 255.9 | 9.7% | 6,081.1 | 0.7% |
| 2017-18 | 1,105.1 | 5.2% | 1,388.4 | 5.3% | 922.4 | 6.0% | 2,819.1 | 9.0% | 258.0 | 0.8% | 6,492.9 | 6.8% |
| 2018-19 | 1,150.9 | 4.1% | 1,453.8 | 4.7% | 981.0 | 6.4% | 2,969.6 | 5.3% | 278.8 | 8.1% | 6,834.1 | 5.3% |
| 2019-20 | 1,205.4 | 4.7% | 1,509.9 | 3.9% | 1,066.1 | 8.7% | 3,113.9 | 4.9% | 290.3 | 4.1% | 7,185.7 | 5.1% |
| 2020-21 | 1,262.9 | 4.8% | 1,597.3 | 3.9% | 1,109.3 | 4.1% | 3,263.0 | 4.8% | 307.6 | 5.9% | 7,540.2 | 4.9% |
| 2021-22 | 1,375.8 | 8.9% | 1,730.7 | 8.4% | 1,169.1 | 5.4% | 3,379.0 | 3.6% | 317.8 | 3.3% | 7,972.5 | 5.7% |
| 2022-23 | 1,455.5 | 5.8% | 1,797.3 | 3.8% | 1,227.4 | 5.0% | 3,571.1 | 5.7% | 339.6 | 6.9% | 8,390.9 | 5.2% |
| 2023-24 | 1,552.0 | 6.6% | 1,905.1 | 6.0% | 1,333.0 | 8.6% | 3,767.3 | 5.5% | 349.9 | 3.0% | 8,907.2 | 6.2% |
| Average Growth Rates | | | | | | | | | | | | |
| 1970-71 to 1990-91 | | 8.7% | 9.0% | | 12.1% | | 8.0% | | 9.7% | | 8.5% | |
| 1997-98 to 2023-24 | | 4.7% | 4.9% | | 5.1% | | 5.2% | | 5.4% | | 5.0% | |

Note: The 1970-71 to 1990-91 average growth rates cover a time before implementation of M5 and M50. The 1997-98 to 2023-24 average growth rates cover a time after implementation of M5 and M50.

Data source: DOR, Oregon Property Tax Statistics

EXHIBIT E-8



Data source: DOR, Oregon Property Tax Statistics

EXHIBIT E-9

| Real Market Value, Assessed Value, Assessment Ratio, and Average Tax Rate, 1970 through 2023 | | | | | | | | |
|--|---------------------------------------|-------|------------------------------------|--------|----------------------|-------|--|--------|
| Assessment Date | Real Market Value (\$ millions) % CH. | | Assessed Value (\$ millions) % CH. | | Assessment Ratio (%) | | Average Tax Rate \$ / \$1,000 AV % CH. | |
| 1-1-70 | 18,797 | 9.0% | 18,795 | 9.0% | 100.0% | | 26.78 | 2.0% |
| 1-1-71 | 20,261 | 7.8% | 20,258 | 7.8% | 100.0% | | 26.72 | -0.2% |
| 1-1-72 | 22,113 | 9.1% | 22,108 | 9.1% | 100.0% | | 26.41 | -1.1% |
| 1-1-73 | 24,899 | 12.6% | 24,870 | 12.5% | 100.0% | | 23.93 | -9.4% |
| 1-1-74 | 28,402 | 14.1% | 28,274 | 13.7% | 100.0% | | 24.29 | 1.5% |
| 1-1-75 | 32,175 | 13.3% | 32,015 | 13.2% | 100.0% | | 24.31 | 0.1% |
| 1-1-76 | 35,547 | 10.5% | 35,536 | 11.0% | 100.0% | | 24.20 | -0.5% |
| 1-1-77 | 40,704 | 14.5% | 40,508 | 14.0% | 100.0% | | 22.24 | -8.1% |
| 1-1-78 | 46,646 | 14.6% | 46,155 | 13.9% | 100.0% | | 19.85 | -10.8% |
| 1-1-79 | 59,025 | 26.5% | 57,898 | 25.4% | 100.0% | | 17.52 | -11.7% |
| 1-1-80 | 73,402 | 24.4% | 62,544 | 8.0% | 84.2% | 87.6% | 19.05 | 8.7% |
| 1-1-81 | 82,427 | 12.3% | 68,458 | 9.5% | 81.6% | 84.4% | 20.97 | 10.1% |
| 1-1-82 | 86,429 | 4.9% | 73,029 | 6.7% | 83.8% | 85.1% | 21.14 | 0.8% |
| 1-1-83 | 85,365 | -1.2% | 77,399 | 6.0% | 90.3% | 90.9% | 20.83 | -1.4% |
| 1-1-84 | 85,400 | 0.0% | 81,428 | 5.2% | | 96.0% | 21.37 | 2.6% |
| 1-1-85 | 83,035 | -2.8% | 83,026 | 2.0% | 100.0% | | 21.91 | 2.5% |
| 1-1-86 | 82,944 | -0.1% | 82,944 | -0.1% | 100.0% | | 23.47 | 7.1% |
| 1-1-87 | 83,111 | 0.2% | 83,129 | 0.2% | 100.0% | | 24.97 | 6.4% |
| 1-1-88 | 84,258 | 1.4% | 84,305 | 1.4% | 100.0% | | 25.99 | 4.1% |
| 1-1-89 | 88,076 | 4.5% | 88,085 | 4.5% | 100.0% | | 27.09 | 4.2% |
| 1-1-90 | 95,850 | 8.8% | 95,851 | 8.8% | 100.0% | | 26.61 | -1.8% |
| 7-1-91 | 112,134 | 17.0% | 112,154 | 17.0% | 100.0% | | 22.74 | -14.5% |
| 7-1-92 | 123,755 | 10.4% | 123,780 | 10.4% | 100.0% | | 20.43 | -10.2% |
| 7-1-93 | 136,787 | 10.5% | 136,815 | 10.5% | 100.0% | | 18.03 | -11.7% |
| 7-1-94 | 153,370 | 12.1% | 153,400 | 12.1% | 100.0% | | 15.45 | -14.3% |
| 7-1-95 | 171,190 | 11.6% | 171,226 | 11.6% | 100.0% | | 13.13 | -15.0% |
| 7-1-96 | 190,161 | 11.1% | 190,209 | 11.1% | 100.0% | | 13.29 | 1.2% |
| 7-1-97 | 209,981 | 10.4% | 166,447 | -12.5% | 79.3% | | 14.87 | 11.9% |
| 1-1-98 | 222,313 | 5.9% | 176,089 | 5.8% | 79.2% | | 14.87 | 0.0% |
| 1-1-99 | 240,312 | 8.1% | 186,642 | 6.0% | 77.7% | | 15.01 | 1.0% |
| 1-1-00 | 258,133 | 7.4% | 198,911 | 6.6% | 77.1% | | 15.15 | 1.0% |
| 1-1-01 | 274,042 | 6.2% | 210,435 | 5.8% | 76.8% | | 15.45 | 2.0% |
| 1-1-02 | 287,260 | 4.8% | 219,878 | 4.5% | 76.5% | | 15.53 | 0.5% |
| 1-1-03 | 305,351 | 6.3% | 227,876 | 3.6% | 74.6% | | 15.85 | 2.0% |
| 1-1-04 | 329,746 | 8.0% | 238,984 | 4.9% | 72.5% | | 15.75 | -0.6% |
| 1-1-05 | 362,798 | 10.0% | 251,077 | 5.1% | 69.2% | | 15.53 | -1.4% |
| 1-1-06 | 434,293 | 19.7% | 265,219 | 5.6% | 61.1% | | 15.37 | -1.0% |
| 1-1-07 | 501,125 | 15.4% | 280,454 | 5.7% | 56.0% | | 15.94 | 3.7% |
| 1-1-08 | 525,329 | 4.8% | 292,211 | 4.2% | 55.6% | | 15.33 | -3.8% |
| 1-1-09 | 498,657 | -5.1% | 307,444 | 5.2% | 61.7% | | 15.47 | 0.9% |
| 1-1-10 | 458,497 | -8.1% | 315,449 | 2.6% | 68.8% | | 15.35 | -0.8% |
| 1-1-11 | 434,408 | -5.3% | 323,173 | 2.4% | 74.4% | | 15.24 | -0.7% |
| 1-1-12 | 421,567 | -3.0% | 329,275 | 1.9% | 78.1% | | 15.17 | -0.5% |
| 1-1-13 | 433,448 | 2.8% | 339,674 | 3.2% | 78.4% | | 15.52 | 2.3% |
| 1-1-14 | 469,453 | 8.3% | 354,336 | 4.3% | 75.5% | | 15.64 | 0.8% |
| 1-1-15 | 506,152 | 7.8% | 370,564 | 4.6% | 73.2% | | 15.70 | 0.4% |
| 1-1-16 | 559,107 | 10.5% | 386,412 | 4.3% | 69.1% | | 15.74 | 0.2% |
| 1-1-17 | 620,889 | 11.1% | 403,984 | 4.5% | 65.1% | | 16.07 | 2.1% |
| 1-1-18 | 676,852 | 9.0% | 405,604 | 0.4% | 59.9% | | 16.23 | 1.0% |
| 1-1-19 | 715,771 | 5.8% | 423,669 | 4.5% | 59.2% | | 16.96 | 4.5% |
| 1-1-20 | 756,721 | 5.7% | 443,551 | 4.7% | 58.6% | | 17.00 | 0.2% |
| 1-1-21 | 823,667 | 8.8% | 462,526 | 4.3% | 56.2% | | 18.14 | 6.7% |
| 1-1-22 | 964,669 | 17.1% | 485,240 | 4.9% | 50.3% | | 17.29 | -4.7% |
| 1-1-23 | 1,023,232 | 6.1% | 511,899 | 5.5% | 50.0% | | 17.40 | 0.6% |
| Average Growth Rates | | | | | | | | |
| 1970-1990 | | 8.5% | | 8.5% | | | | 0.0% |
| 1998-2023 | | 6.3% | | 4.4% | | | | 0.6% |

Notes: Beginning in 1998, excess urban renewal value, both used and unused value, is included in AV. Value growth in 1991 is for 18 months with change in assessment date to July. Value growth in 1998 is for six months with change in assessment date back to January. The 1970-1990 average growth rates cover a time before implementation of M5 and M50. The 1998-2023 average growth rates cover a time after implementation of M5 and M50.

Data source: DOR, Summary of Assessment and Levies

Homestead Property Tax Deferral Program

Under the Homestead Property Tax Deferral Program, the state pays property taxes on behalf of homeowners who are disabled or 62 years of age and over, and deferred taxes becomes due upon disqualification—when the homeowner moves, sells the homestead, or dies.¹⁵ A policy purpose for

¹⁵ The 1977 Legislature allowed deferral for special assessments, such as fees or charges for construction of public goods or utility infrastructure like public parks or sewer systems. That deferral type was repealed by the 2011 Legislature.

the deferral program is not explicitly stated in statute. However, a 2013 Oregon State University [survey](#), which was commissioned by DOR per HB 4039 (2012), found that “the Property Tax Deferral Program is helping a large number of long-time, low-income homeowners remain in their homes. Given the low overall incomes of the respondents, it is likely that property taxes constitute a significant expense that respondents might struggle to meet without the Tax Deferral Program.”

Taxes are paid from a revolving account administered by DOR.¹⁶ A lien is obtained on the homestead for the tax, accrued interest, and fees, at a rate of six percent per year. The lien is like a reverse mortgage where the homeowner relinquishes homestead equity in exchange for property tax payments.¹⁷ Deferred tax can be repaid at any time by the owner, spouse, next of kin, heir, or child. Repayments are first applied to accrued interest, then tax, and then fees.¹⁸ If deferred tax is not repaid upon disqualification, they become delinquent, and the homestead is subject to foreclosure and sale. A surviving spouse or disabled heir may continue the deferral under certain conditions. New deferrals may not be granted after the 2032-33 tax year.

Homeowners must recertify every two years. Claims can be filed by individuals, or two or more individuals filing jointly. The household income limit, which is indexed to inflation, is \$60,000 for 2025-26. The homestead RMV limit is also indexed to inflation and capped at the greater of \$294,000 for 2025-26 or a value determined by the county median RMV and the number of years the homeowner has lived in the homestead. Households must have a net worth less than \$500,000, not including the value of the homestead in question. Homeowners are also required to insure the homestead against fire and other casualties, and to have owned and lived in the homestead the past five years.

Exhibit E-10 shows the number of paid accounts by fiscal year and deferral type, 1978-79 through 2024-25.¹⁹ Although changes in deferral program participation are driven by many factors, two of the main factors are interest rates and property tax liability for individual seniors and disabled homeowners.²⁰ There is more incentive to defer property tax if tax liability is high. Since the deferral program essentially functions as a loan from the revolving account to the homeowner, participation in the deferral program tends to decline when interest rates in the economy are lower than the six percent per year interest rate in the deferral program. For example, the number of paid accounts increased as interest rates rose in the 1970s and 1980s, and then declined in the 1990s. The decline in the number of paid accounts in the 1990s also coincided with the implementation of M5 and M50, which both reduced property tax liability for Oregonians. Furthermore, the number of paid accounts has been concentrated in the Portland Metro area, partly because of the relatively high property tax liability in that area. The step down in the number of paid accounts in 2011-12 relates to changes made by the 2011 Legislature (HB 2543) to support solvency of the revolving account.²¹

¹⁶ See the [DOR website](#) for more information about the deferral program.

¹⁷ Home Equity Conversion Mortgages for Seniors is the Federal Housing Administration's reverse mortgage program that enables seniors to withdraw a portion of home equity to use for home maintenance, repairs, or general living expenses.

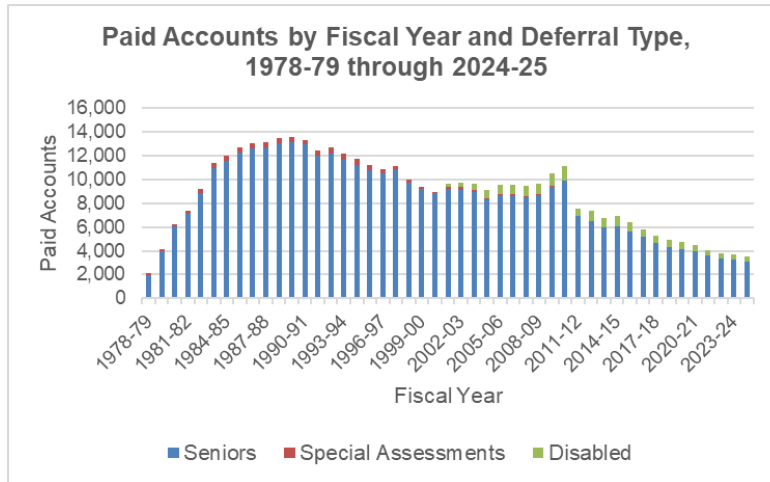
¹⁸ All homesteads have lien fees and manufactured structures also have filing fees.

¹⁹ To see the data in Exhibits E-10 and E-11 in a table, see Exhibit E-13.

²⁰ The Oregon senior population may not be a major driver of deferral program participation. The Office of Economic Analysis December 2024 population forecast reported a 59 percent increase in the Oregon population aged 65 years and over from 2011 to 2024. From 2011-12 to 2024-25, the number of paid accounts in the deferral program decreased by 54 percent.

²¹ Solvency is the ability to repay long-term debts and financial obligations.

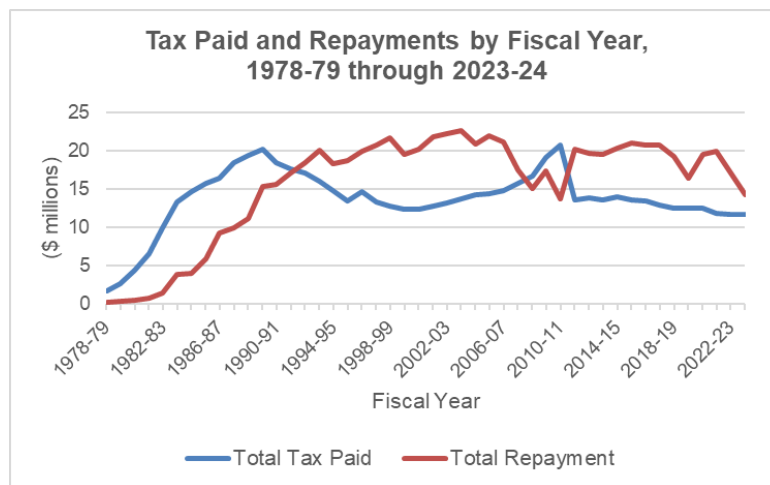
EXHIBIT E-10



Data source: DOR Research Section

Exhibit E-11 reports the total tax paid and total repayments by fiscal year, 1978-79 through 2023-24. Since most deferral program tax payments are made in November the total tax paid largely matches the pattern of paid accounts in Exhibit E-10. The pattern for total repayments is more complex because repayments can be made at any time but are not due until the homeowner is disqualified. As such, repayments generally come after tax payments, and total repayments tend to peak after total tax payments. In the late 2000s, after the housing bubble and Great Financial Crisis (GFC), total tax paid temporarily spiked and total repayments temporarily dipped.²² This resulted in negative cash flow—total tax paid exceeded total repayments. Since 2011-12, the deferral program has had positive cash flow—total repayments exceeded total tax payments.

EXHIBIT E-11

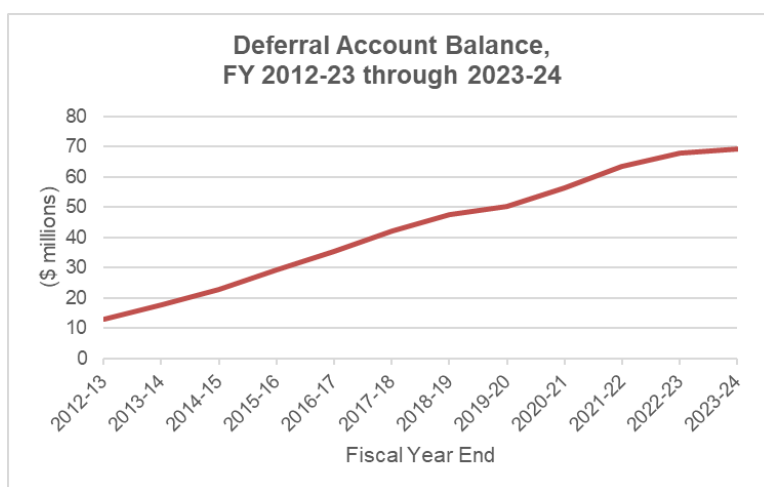


Data source: DOR Research Section

²² The dip in total repayments is at least partially due to a reduced disqualification rate, which may relate to a reluctance among homeowners to move or sell their homestead in the midst of a recession when real estate prices declined substantially. Other situations that may have a similar 'lock-in effect', where homeowners are reluctant to move or sell their homestead, include when interest rates have increased substantially or when interest rates are higher than the six percent interest rate for the deferral program.

Exhibit E-12 displays the deferral account balance, FY 2012-13 through 2023-24. The deferral account balance will increase if there is positive cash flow that exceeds administrative costs. Alternatively, the deferral account balance will decrease if there is negative cash flow or administrative costs exceed the positive cash flow. Administrative costs have recently been about \$1 million per year and the deferral account balance has increased by an average of \$5.1 million per year since 2013-14. At the end of 2023-24 (June 30), the deferral account balance was \$69.3 million.

EXHIBIT E-12



Data source: DOR Research Section

Since there were negative cash flows for an extended period in the late 1970s and 1980s, the deferral account received continuous advances and appropriations through 1994-95. As positive cash flows developed in the 1990s and early 2000s, over \$93 million was appropriated out of the deferral account from 1995-96 through 2007-08, including \$14.5 million appropriated to Oregon Project Independence (OPI). In fiscal year 2007-08, a combination of factors including the GFC, began to occur that would temporarily result in negative cash flow. Due to the cash flow issues, DOR was required to pay only two-thirds of tax payments in November 2010 with the remaining one-third paid in May 2011. DOR also obtained a General Fund loan for \$19 million in 2011-12, which was repaid in 2012-13. The 2011 Legislature made multiple changes to the deferral program, most notably in HB 2543, which helped to result in the positive cash flow experienced since 2011-12.

Oregon Project Independence

The 1975 Legislature created OPI to provide limited in-home services for people living in their own home. The 2005 Legislature established a transfer from the revolving account to OPI when excess balances existed (SB 870). Excess balances existed if, after tax payments have been made in November, the balance exceeded the greater of 35 percent of total tax payments in the previous year or \$5 million. The first payment from the deferral account was in 2006 in the amount of \$250,000. No payment was made in 2007. The January 2008 payment was in the amount of \$14.29 million. Cash flow issues for the deferral program in the midst of the GFC resulted in the 2011 Legislature discontinuing OPI funding from the deferral program (HB 2543). The state has since funded OPI through other means and will be supported with Medicaid funds in 2024 through 2029.

Legislative Changes to the Homestead Property Tax Deferral

Below is a summary of legislative changes to the Homestead Property Tax Deferral, by year and bill number, since 2005.

2005 — SB 31, SB 870

SB 31

- Updated “federal adjusted gross income” definition to be consistent with Internal Revenue Code (IRC), as amended and in effect on December 31, 2004

SB 870

- Cancelled requirements for DOR to repay State General Fund from deferral revolving account for advances before July 1, 1985, and appropriations after June 30, 1985
- Required transfers from deferral revolving account to OPI when November 30 balance exceeded greater of 35 percent of previous year payments or \$5 million

2007 — SB 83, HB 2233, HB 2235

SB 83

- Changed “disabled person” to “person with a disability”

HB 2233

- Allowed DOR to record at Department of Consumer and Business Services liens for deferred taxes on manufactured homes
- Clarified DOR lien is not only for deferred taxes, but also interest on deferred taxes
- Allows DOR to record at Secretary of State liens for deferred taxes on floating homes

HB 2235

- Updated “federal adjusted gross income” definition to be consistent with IRC, as amended and in effect on December 31, 2006

2008 — SB 1081

- Updated “federal adjusted gross income” definition to be consistent with IRC, as amended and in effect on December 31, 2007

2009 — HB 2078, HB 2157, HB 3199

HB 2078

- Updated “federal adjusted gross income” definition to be consistent with IRC, as amended and in effect on May 1, 2009

HB 2157

- Updated “federal adjusted gross income” definition to be consistent with IRC, as amended and in effect on December 31, 2008

HB 3199

- Removed continuing appropriation from State General Fund to deferral revolving account during times of insufficient funds to make deferral payments
- Established authority for State Treasurer to lend moneys to DOR in amounts needed to make deferral payments. Required repayment of principal and interest within five years

2010 — SB 1016

- Updated “federal adjusted gross income” definition to be consistent with IRC, as amended and in effect on December 31, 2009

2011 — HB 2543

- Required homeowner net worth to be less than \$500,000, excluding homestead value
- Changed base for continued qualification income criteria, from adjusted gross income, to household income
- Established five-year residency requirement
- Required homestead insurance for fire and other casualty

- Capped allowable homestead RMV, dependent on county median RMV for residential properties and number of years homeowner has owned and lived in homestead
- Increased interest rate, from six percent per year, to six percent compounded annually, for deferred amounts on or after November 2011
- Required recertification every two years
- Prohibited tax-deferred homesteads from being pledged as a security for a reverse mortgage
- Eliminated five-year extension for heirs to repay deferred taxes
- Disallowed new special assessment deferrals
- Eliminated transfer of excess funds to OPI

2012 — HB 4039

- Clarified “county median RMV” is based on improved property which has residential use as its highest and best value, classified as 1-0-1 by DOR rule
- Reduced required recertification frequency, from every two years, to every three years
- Allowed homeowners disqualified because homestead was pledged as a security for a reverse mortgage to qualify in 2011-12 and 2012-13

2013 — HB 2489, HB 2510

HB 2489

- Allowed homeowners disqualified because homestead was pledged as a security for a reverse mortgage to qualify indefinitely
- Clarified transferee liability for deferred amounts is limited to positive amount remaining after subtraction of non-DOR liens from homestead RMV

HB 2510

- Allowed homeowners disqualified due to five-year residency requirement or homestead was pledged as a security for a reverse mortgage to qualify indefinitely, beginning in 2014-15. Capped number of homesteads reactivated in 2014-15 at 700. Increased cap each subsequent year by five percent

2014 — HB 4148

- Reduced interest rate, from six percent compounded annually, to six percent per year, applied retroactively back to 2011-12 tax year for homeowners who pay balances on or after July 1, 2016

2015 — SB 296, HB 2083

SB 296

- Moved definitions for “household income” and “income”, from repealed Elderly Rental Assistance Program statutes, to deferral statutes
- Clarified repealed Elderly Rental Assistance Program no longer provides funds to reduce amount of deferred taxes and interest

HB 2083

- Created exception to five-year residency requirement if homeowner moved from a homestead that was granted deferral and had higher RMV than current homestead
- Allowed DOR to purchase insurance for fire and other casualty, on behalf of uninsured homesteads, and add the cost of insurance coverage to homestead liens
- Increased county median RMV qualification limits for homeowners who have continuously owned and lived in homestead 21 years or more
- Required DOR increase outreach to senior community if recertification is not received within 35 days following homeowner notification

2016 — HB 4025

- Updated “income” definition to be consistent with IRC, as amended and in effect on December 31, 2015

2017 — SB 148, SB 701

SB 148

- Clarified repealed Elderly Rental Assistance Program no longer provides amounts to include in “income” definition

SB 701

- Changed reference for income definition, from last date IRC “income” definition was amended and in effect, to Oregon Revised Statute 305.842

2019 — HB 2460, HB 2587

HB 2460

- Provided homestead transferee was liable for outstanding deferred property taxes if transferee had rights to homestead estate

HB 2587

- Clarified prohibition for homesteads pledged as security for reverse mortgage, was not prohibition on pledging tax-deferred homestead as security for reverse mortgage
- Allowed homesteads pledged as security for a reverse mortgage to qualify if reverse mortgage was executed from July 1, 2011, to January 1, 2017, for homeowners who had homestead equity interest of 40 percent or more

2021 — HB 2634

- Allowed surviving spouse or disabled heir to continue deferral and exempted them from five-year residency requirement
- Provided \$250,000 minimum cap on allowable homestead RMV. Required minimum cap to be indexed annually based on Consumer Price Index (CPI)
- Required claim fee limits to be indexed annually based on CPI
- Allowed late claims, April 16 through December 1. Required late fee paid to assessor
- Limited amount of uncollected interest expense county treasurer must pay to DOR upon homestead foreclosure
- Sunset deferral program on December 2, 2032 (2032-33 claim filing deadline)

2022 — HB 4021

- Extended period homeowners may discontinue deferral program participation, from September 1 to October 31, for homesteads transferred or manufactured structures or floating homes moved out of state

EXHIBIT E-13

| Homestead Property Tax Deferral Total Accounts, Tax Paid, Repayments, and Balance Owed by Fiscal Year, 1978-79 through 2024-25, and Accounts and Average Tax Paid by Fiscal Year and Deferral Type | | | | | | | | | | |
|--|---------------|-------------------|---------------------|-------------------|---------------|-------------------|---------------|-------------------------|---------------------------|-----------------------------|
| Fiscal Year | Seniors | | Special Assessments | | Disabled | | Total | | | |
| | Paid Accounts | Average Paid (\$) | Paid Accounts | Average Paid (\$) | Paid Accounts | Average Paid (\$) | Paid Accounts | Tax Paid (\$ thousands) | Repayments (\$ thousands) | Balance Owed (\$ thousands) |
| 1978-79 | 1,976 | 845 | 111 | 56 | 0 | 0 | 2,087 | 1,676 | 273 | N/A |
| 1979-80 | 4,000 | 645 | 168 | 187 | 0 | 0 | 4,168 | 2,649 | 370 | N/A |
| 1980-81 | 6,046 | 723 | 184 | 352 | 0 | 0 | 6,230 | 4,438 | 559 | N/A |
| 1981-82 | 7,097 | 917 | 246 | 442 | 0 | 0 | 7,343 | 6,614 | 833 | N/A |
| 1982-83 | 8,827 | 1,103 | 389 | 656 | 0 | 0 | 9,216 | 9,992 | 1,529 | 22,859 |
| 1983-84 | 10,976 | 1,181 | 404 | 761 | 0 | 0 | 11,380 | 13,275 | 3,864 | 34,540 |
| 1984-85 | 11,603 | 1,236 | 430 | 853 | 0 | 0 | 12,033 | 14,710 | 4,018 | 45,806 |
| 1985-86 | 12,228 | 1,261 | 501 | 735 | 0 | 0 | 12,729 | 15,785 | 5,859 | 56,811 |
| 1986-87 | 12,632 | 1,282 | 419 | 677 | 0 | 0 | 13,051 | 16,480 | 9,320 | 65,732 |
| 1987-88 | 12,738 | 1,430 | 422 | 548 | 0 | 0 | 13,160 | 18,493 | 9,934 | 75,236 |
| 1988-89 | 13,092 | 1,463 | 396 | 613 | 0 | 0 | 13,488 | 19,410 | 11,117 | 84,834 |
| 1989-90 | 13,165 | 1,513 | 393 | 641 | 0 | 0 | 13,558 | 20,164 | 15,347 | 91,676 |
| 1990-91 | 12,976 | 1,398 | 379 | 579 | 0 | 0 | 13,355 | 18,387 | 15,603 | 96,856 |
| 1991-92 | 12,039 | 1,449 | 411 | 544 | 0 | 0 | 12,450 | 17,685 | 17,051 | 100,433 |
| 1992-93 | 12,181 | 1,387 | 476 | 337 | 0 | 0 | 12,657 | 17,085 | 18,484 | 102,763 |
| 1993-94 | 11,681 | 1,358 | 495 | 366 | 0 | 0 | 12,176 | 16,058 | 20,022 | 102,937 |
| 1994-95 | 11,216 | 1,299 | 504 | 334 | 0 | 0 | 11,720 | 14,740 | 18,352 | 103,967 |
| 1995-96 | 10,763 | 1,235 | 431 | 397 | 0 | 0 | 11,194 | 13,519 | 18,714 | 102,373 |
| 1996-97 | 10,520 | 1,380 | 365 | 391 | 0 | 0 | 10,885 | 14,703 | 19,921 | 101,801 |
| 1997-98 | 10,823 | 1,207 | 343 | 486 | 0 | 0 | 11,166 | 13,260 | 20,788 | 99,784 |
| 1998-99 | 9,769 | 1,272 | 209 | 469 | 0 | 0 | 9,978 | 12,832 | 21,719 | 136,268 |
| 1999-00 | 9,184 | 1,345 | 170 | 414 | 0 | 0 | 9,354 | 12,443 | 19,541 | 135,161 |
| 2000-01 | 8,822 | 1,396 | 155 | 468 | 0 | 0 | 8,977 | 12,392 | 20,172 | 133,271 |
| 2001-02 | 9,215 | 1,362 | 137 | 473 | 281 | 1,041 | 9,633 | 12,835 | 21,792 | 129,900 |
| 2002-03 | 9,107 | 1,404 | 254 | 206 | 387 | 1,080 | 9,748 | 13,196 | 22,210 | 126,224 |
| 2003-04 | 8,900 | 1,485 | 211 | 255 | 524 | 1,154 | 9,635 | 13,783 | 22,647 | 122,953 |
| 2004-05 | 8,300 | 1,633 | 158 | 328 | 633 | 1,182 | 9,091 | 14,302 | 20,901 | 120,031 |
| 2005-06 | 8,666 | 1,555 | 132 | 359 | 712 | 1,190 | 9,510 | 14,402 | 21,993 | 117,262 |
| 2006-07 | 8,627 | 1,595 | 105 | 314 | 786 | 1,251 | 9,518 | 14,814 | 21,135 | 116,079 |
| 2007-08 | 8,483 | 1,708 | 86 | 366 | 869 | 1,335 | 9,438 | 15,681 | 17,518 | 119,236 |
| 2008-09 | 8,652 | 1,765 | 78 | 522 | 890 | 1,480 | 9,620 | 16,662 | 15,042 | 126,375 |
| 2009-10 | 9,366 | 1,862 | 74 | 568 | 1,104 | 1,448 | 10,544 | 19,089 | 17,312 | 133,886 |
| 2010-11 | 9,883 | 1,880 | N/A | N/A | 1,207 | 1,509 | 11,090 | 20,743 | 13,764 | 137,961 |
| 2011-12 | 6,890 | 1,828 | N/A | N/A | 689 | 1,511 | 7,579 | 13,644 | 20,126 | 144,398 |
| 2012-13 | 6,530 | 1,927 | N/A | N/A | 805 | 1,595 | 7,335 | 13,867 | 19,604 | 145,111 |
| 2013-14 | 5,952 | 2,031 | N/A | N/A | 819 | 1,677 | 6,771 | 13,534 | 19,461 | 145,090 |
| 2014-15 | 6,053 | 2,077 | N/A | N/A | 858 | 1,681 | 6,911 | 14,048 | 20,365 | 142,384 |
| 2015-16 | 5,646 | 2,159 | N/A | N/A | 803 | 1,731 | 6,449 | 13,603 | 20,964 | 143,311 |
| 2016-17 | 5,166 | 2,354 | N/A | N/A | 665 | 1,922 | 5,831 | 13,440 | 20,754 | 142,119 |
| 2017-18 | 4,659 | 2,485 | N/A | N/A | 625 | 2,053 | 5,284 | 12,861 | 20,714 | 139,926 |
| 2018-19 | 4,311 | 2,611 | N/A | N/A | 580 | 2,158 | 4,891 | 12,509 | 19,278 | 139,184 |
| 2019-20 | 4,167 | 2,717 | N/A | N/A | 555 | 2,263 | 4,722 | 12,577 | 16,430 | 140,927 |
| 2020-21 | 3,993 | 2,817 | N/A | N/A | 531 | 2,308 | 4,524 | 12,475 | 19,526 | 139,687 |
| 2021-22 | 3,602 | 2,969 | N/A | N/A | 486 | 2,468 | 4,088 | 11,892 | 19,943 | 137,194 |
| 2022-23 | 3,359 | 3,118 | N/A | N/A | 452 | 2,598 | 3,811 | 11,648 | 17,064 | 137,405 |
| 2023-24 | 3,246 | 3,243 | N/A | N/A | 416 | 2,679 | 3,662 | 11,640 | 14,263 | 140,077 |
| 2024-25 | 3,117 | 3,387 | N/A | N/A | 401 | 2,854 | 3,518 | 11,703 | N/A | N/A |

Notes: Repayments exclude special assessments until 1983-84. In 1998-99, while converting from one mainframe system to another, DOR discovered that interest for prior years had not been posted to the account; the increase in the balance owed in 1998-99 reflects the impact of this interest.

Data source: DOR Research Section

SECTION F - ESTATE TAX

Overview of Oregon's Estate Tax

Estate, Inheritance, Gift, and Generation Skipping taxes are different forms of taxes on the transfer of wealth. An estate tax is imposed when the property transfer is caused by death and is levied on the value of property left by the deceased. Inheritance tax is also imposed after death but levied on the amounts that each relative receives depending on their income and relationships to the deceased. Gift taxes are imposed when the property owner is still living and transfers property to different relatives. Generation Skipping tax can be imposed either at time of death or at time of shift in property rights by gift. Gift and generation skipping taxes are often administered as compliments to estate or inheritance taxes.

The current form of Oregon's estate tax was created by House Bill 2541 (2011) using definitions from 2010 federal estate tax laws. Estates with gross values (total estate value both inside and outside of Oregon) greater than or equal to \$1 million are required to file estate tax returns while estates valued less than \$1 million are not subject to the tax and no return is required. Calculation of Oregon's estate tax is determined by applying the rates listed at the bottom of the page to the Oregon taxable estate value.

Oregon Taxable Estate Value = Federal Taxable Estate (as in effect on 12/31/2010)
+ Federal state deduction
± Marital property deduction (if applicable)
- Any other exclusions or deductions

If the Oregon taxable estate is at least the amount in column 1 below, but less than the amount in column 2, the tax is the amount in column 3, increased by the excess above the amount in column 1 multiplied by the percentage in column 4. For example, the tax imposed on an Oregon taxable estate worth \$5,000,000 would be \$425,000.¹

**Estate Tax
Table**

| Column 1 | Column 2 | Column 3 | Column 4 |
|--|------------------------------|-------------------------------|--|
| Taxable estate equal to or greater than: | Taxable estate less than: | Tax on amount in column 1: | Tax rate percentage applied to taxable estate value greater than amount in column 1: |
| \$1,000,000 | \$1,500,000 | \$0 | 10.0% |
| 1,500,000 | 2,500,000 | 50,000 | 10.25% |
| 2,500,000 | 3,500,000 | 152,500 | 10.5% |
| 3,500,000 | 4,500,000 | 257,500 | 11.0% |
| 4,500,000 | 5,500,000 | 367,500 | 11.5% |
| 5,500,000 | 6,500,000 | 482,500 | 12.0% |
| 6,500,000 | 7,500,000 | 602,500 | 13.0% |
| 7,500,000 | 8,500,000 | 732,500 | 14.0% |
| 8,500,000 | 9,500,000 | 872,500 | 15.0% |
| 9,500,000 | | 1,022,500 | 16.0% |

¹ Calculated as \$367,500+(\$5,000,000-\$4,500,000) x 11.5%

The Oregon Estate Tax calculation based on the total value of property owned by the decedent anywhere and is scaled by the amount of property in Oregon. For estates with property inside and outside of Oregon, a ratio is applied to apportion the value of the property subject to Oregon's estate tax. The ratio is calculated in two ways depending on whether the decedent was an Oregon resident on the date of death.

Oregon Resident Ratio

$$\frac{OR \text{ Real Property} + OR \text{ Tangible Personal Property} + \text{Intangible Personal Property}^2}{\text{Total Value of Decedent's Gross Estate}}$$

Non Resident Ratio

$$\frac{OR \text{ Real Property} + OR \text{ Tangible Personal Property}}{\text{Total Value of Decedent's Gross Estate}}$$

In calculating the taxable estate value, a number of deductions are available including: funeral expenses, debts, mortgages and liens, bequests and gifts to charities, and bequests to a surviving spouse. Bequests to a surviving spouse act effectively as a deferral of tax as the property for which a marital deduction is allowed must be included in the value of the gross estate when the spouse that received the benefit of the deduction dies.

An optional natural resource credit (NRC) is available for natural resource property (NRP) which includes farm use and forestland use in addition to property used in commercial fishing business operations. The credit is unavailable to estates with a value greater than \$15 million and where the value of the natural resource property in Oregon constitutes less than 50 percent of the value of the estate in Oregon. The natural resource credit is calculated as follows:

$$\text{Tax that would be payable absent the credit} * \frac{\text{lesser of: value of NRP claimed or \$7.5M}}{\text{total adjusted gross estate value}}$$

To qualify for the NRC, the natural resource property must be transferred to a family member, and in five of the previous eight years must have been part of a farm, forestry, or fishing business. The property must also continue to be used in the operation of a farm, forestry, or fishing business in at least five of the following eight calendar years following the decedent's death.

Senate Bill 498 (2023) created a new estate tax exemption for up to \$15 million natural resource property. Natural resource property is defined the same way for the exemption as for the credit, but the eligibility requirements are different. The exemption requires the decedent to have owned the property for at least five years before death, and the decedent or a family member must have participated in a natural resource business using the property for at least 75% of the days for each of five years prior to the decedent's death. The property must be transferred to a family member with a family member participating in the business for 75% of the days in the five years after the decedent's death. There is no limit on the size of estates that can use the exemption. Either the exemption or the credit can be used, but not both.

Estate Tax Data and Discussion

Estate tax laws are generally the same for deaths that occur within a calendar year. So, for instance, decedents that died in 2020 are grouped into "Tax Year" 2020. Tax returns for estates are due 12 months after the decedent's death, leading to data being available after one year, plus some time for processing and refining the tax return data. Data is provided by Oregon's Department of Revenue, Research Section.

² Only includes intangible personal property not subject to tax in another state.

Exhibit F-1 shows the estate tax returns for the most recent tax year with available data, grouped by tax brackets based on the taxable value of the estate. Because the return filing threshold is based on gross estate, many returns have deductions that reduces taxable estate below the threshold, so those estates have no tax payable. The exhibit also displays the percent of returns and tax by each bracket.

EXHIBIT F-1

Tax Year 2022 Estate Tax Returns

| Taxable Estate Value | Number of Estates | Num of Returns as % of total | Payable Tax | Tax as a % of total |
|-----------------------|-------------------|------------------------------|----------------|---------------------|
| Less than \$1 million | 888 | 29% | \$ - | 0% |
| \$1m - \$1.5m | 1,012 | 33% | \$ 17,426,667 | 5% |
| \$1.5m - \$2.5m | 656 | 21% | \$ 57,759,652 | 18% |
| \$2.5m - \$3.5m | 237 | 8% | \$ 42,334,036 | 13% |
| \$3.5m - \$4.5m | 98 | 3% | \$ 25,633,754 | 8% |
| \$4.5m - \$5.5m | 59 | 2% | \$ 22,674,259 | 7% |
| \$5.5m - \$6.5m | 36 | 1% | \$ 15,509,496 | 5% |
| \$6.5m - \$7.5m | 28 | 1% | \$ 13,841,493 | 4% |
| \$7.5m - \$9.5m | 38 | 1% | \$ 24,880,930 | 8% |
| more than \$9.5m | 54 | 2% | \$ 103,889,644 | 32% |
| Total | 3,106 | 100% | \$323,949,931 | 100% |

Exhibit F-2 shows the total number of returns and tax for tax years beginning in 2012 when the current Estate Tax structure was implemented. Each year also has information on the Natural Resource Credit used to reduce tax for estates claiming the credit.

EXHIBIT F-2

| Estate Tax Returns, by Tax Year | | | | |
|---------------------------------|---------|-------------|-----------------------------|---------------------------------------|
| Tax year | Returns | Payable Tax | Returns Claiming NRC Credit | Natural Resource Credit (NRC) Claimed |
| 2012 | 1,385 | 94,219,000 | 25 | 4,321,000 |
| 2013 | 1,599 | 106,597,000 | 32 | 3,657,000 |
| 2014 | 1,563 | 113,024,000 | 31 | 3,317,000 |
| 2015 | 1,776 | 157,579,000 | 51 | 5,655,000 |
| 2016 | 1,857 | 175,417,421 | 44 | 6,078,918 |
| 2017 | 2,063 | 206,658,331 | 50 | 5,681,821 |
| 2018 | 2,067 | 188,136,988 | 45 | 5,159,940 |
| 2019 | 2,372 | 315,769,302 | 52 | 6,231,579 |
| 2020 | 2,486 | 243,283,189 | 59 | 7,943,206 |
| 2021 | 3,041 | 338,614,000 | 75 | 13,324,000 |
| 2022 | 3,106 | 323,949,931 | 56 | 9,307,636 |

Exhibit F-3 breaks down the tax paid by estates within three groups since 2012. The groups are based on taxable estate value. Note that the groups use the tax brackets that are not adjusted for inflation.

EXHIBIT F-3

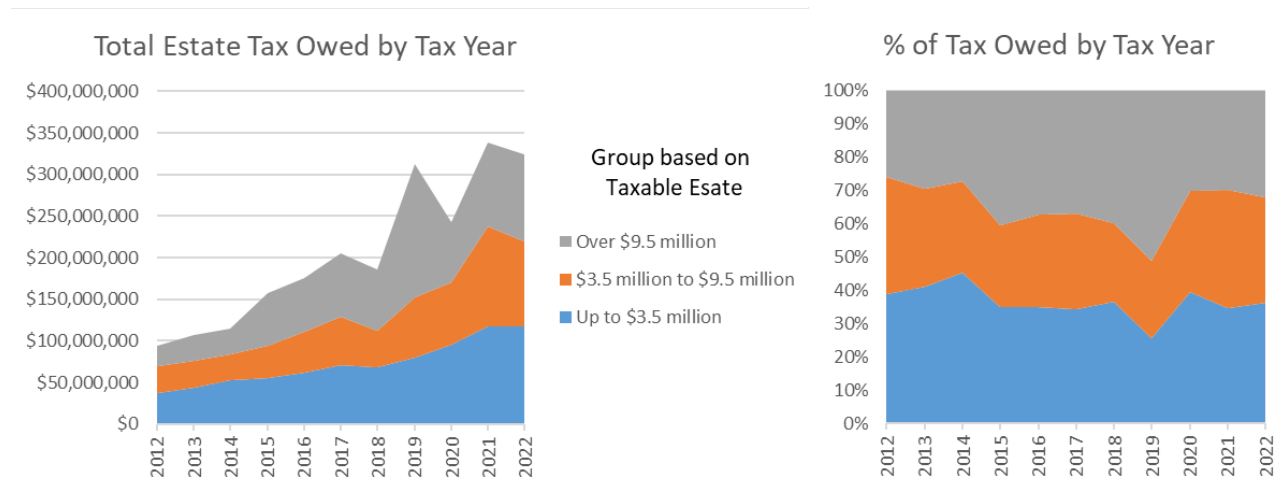


Exhibit F-4 shows the amount of Estate Tax paid since Fiscal Year 2012. Payments are due 12 months after the decedent's death. The grouping based on Oregon's fiscal year is because Oregon's state budget is based on cash receipts within a fiscal year. Fiscal years take the number of the year associated with the end month. For example, the period from July 1, 2020 to June 30, 2021 was Oregon's Fiscal Year 2021.

EXHIBIT F-4

| Estate Tax Collections by Fiscal Year (\$millions) | | |
|---|----------|----------|
| Fiscal Yr. | Receipts | % Change |
| 2011-12 | \$101.8 | 33.5% |
| 2012-13 | \$101.9 | 0.1% |
| 2013-14 | \$85.5 | -16.1% |
| 2014-15 | \$111.0 | 29.8% |
| 2015-16 | \$126.0 | 13.5% |
| 2016-17 | \$196.9 | 56.2% |
| 2017-18 | \$176.5 | -10.4% |
| 2018-19 | \$204.7 | 16.0% |
| 2019-20 | \$267.3 | 30.6% |
| 2020-21 | \$256.7 | -4.0% |
| 2021-22 | \$325.5 | 26.8% |
| 2022-23 | \$297.6 | -8.6% |
| 2023-24 | \$339.0 | 13.9% |

SECTION G - SCHOOL FINANCE

K-12 School Districts

Oregon has 197 school districts serving about 547,000 students in kindergarten through high school. These districts operate with relative autonomy within guidelines specified by both the Legislature and the State Department of Education. The federal government also requires certain mandated programs.

Local Revenue

School districts receive general operating revenue from various sources. Property taxes are the primary source. Other sources include federal forest payments, county school funds, the state Common School Fund and state timber sales. These local revenues are included in the school distribution formula and are about 32% of state and local formula operating revenue.

State Support

The Legislature through the State School Fund (SSF) provides about 67% of school formula operating revenue. This revenue is mostly from state income taxes and lottery revenue. The state's share increased from about 30% before Measure 5 (1990) to about 70% after Measure 50 (1997). State revenue replaced reduced local revenue because of these property tax limitations. Along with increased state aid, the school finance distribution method for state support changed dramatically.

Funding Equity

The 1991 Legislature adopted the school equalization formula and phased in its implementation. Equity as measured by the equalization formula applied to all school districts beginning in 1992-93. Past Legislatures have also provided some funding outside the equalization formula. The 2007 Legislature provided funds for small high schools, special education and other programs from the SSF outside the formula. Currently state aid and local revenue for school districts equals 95.5% of the statewide K-12 school and education service district (ESD) formula revenue for general operating purposes. The remaining 4.5% goes to ESDs.

Equalization Formula

The SSF equalization formula allocates an amount to each school district based primarily on number of students. The state grant is this formula amount reduced by local revenues. The formula equalizes revenues per student by removing past differentials caused by widely varying local tax rates and property wealth per student. To recognize that some students need more school services and that their schools may face higher costs, the formula assigns weights to certain students. For example, special education students count as 2.0 students to recognize their need for special programs. Additional student weights are for English as a second language programs, students from families in poverty, remote small schools and others. A general purpose grant per weighted student is adjusted for the experience level of teachers and set at a level that allocates available funding. The formula also funds 70-90% of eligible transportation costs, costs above \$30,000 per high cost disability student (limited to \$55 million per year statewide), \$2 million toward healthy school facilities, and up to \$6 million to the Office of School Facilities to assist school districts with capital construction projects.

Local Property Tax Option

School districts may ask voters to approve temporary local option levies. Local option revenue is limited to the least of (1) the district Measures 5 and 50 tax gap, (2) 25% of formula revenue or (3) \$2,000 per weighted student. The \$2,000 is indexed to increase 3% per year beginning in 2018-19.

The levies may be approved for up to 5 years for operations and up to 10 years for capital projects. Local option revenue is in addition to equalization formula revenue.

Construction Tax Option

The 2007 Legislature granted school districts new taxing authority. School districts may impose a tax on new construction in the district. The tax rate cannot exceed \$1 per square foot for residential use and \$0.50 for nonresidential use. The maximum rates are indexed beginning in 2009. The tax on nonresidential use is also restricted to \$25,000 per structure or building permit, whichever is less. The legislation exempts certain properties from this tax. In the school year 2022-23, 67 school districts used this option, raising a total of \$27.5 million.

Education Service Districts

The school system also includes education service districts (ESDs). Nineteen ESDs provide regional educational support services. The ESD share of statewide K-12 school and ESD general operating revenue is 4.5%. This includes both state aid from the State School Fund and ESD property tax revenue. Before Measure 5 (1990), they received no state aid. Subsequently state support helped replace reduced property taxes. The 2001 Legislature adopted a 5 year phase-in plan to equalize ESD revenue. Those below the state ESD average revenue per student gradually received more and those above the average gradually received less. Final equalization began in 2005-06. Beginning in 2011-12, ESD revenue is 4.712% of the sum of component district formula revenue. This makes the ESD share of total ESD and K-12 school formula revenue 4.5%. Also starting in 2011-12, some school districts can opt out of ESD's and get reimbursement of their share of prorated formula revenues.

Educator Advancement Fund (previously Network of Quality Teaching and Learning)

In the 2013 regular session, the Legislature created the Network of Quality Teaching and Learning (NQTL). NQTL is the predecessor to the Educator Advancement (EA) program created by the 2017 legislature. For the 2023-25 biennium, EA Fund was provided by \$6.5 million from the SSF, and \$18.2 million each from SDs and ESDs out of their respective formula revenues. EA Fund fluctuates proportionately with the SSF.

Fund from Student Success Act

The 2019 Legislature created a corporate activity tax (CAT) based on commercial activity conducted by businesses and dedicated the tax revenues to the programs initiated in the Student Success Act (HB 3427). After adjusting for legislative changes in relation to the Act, the remainder of revenues from the CAT fund three accounts - Student Investment Account (at least 50%), Statewide Education Initiatives Account (up to 30%), and Early Learning Account (at least 20%). CAT revenues are expected to average \$1 billion per year.

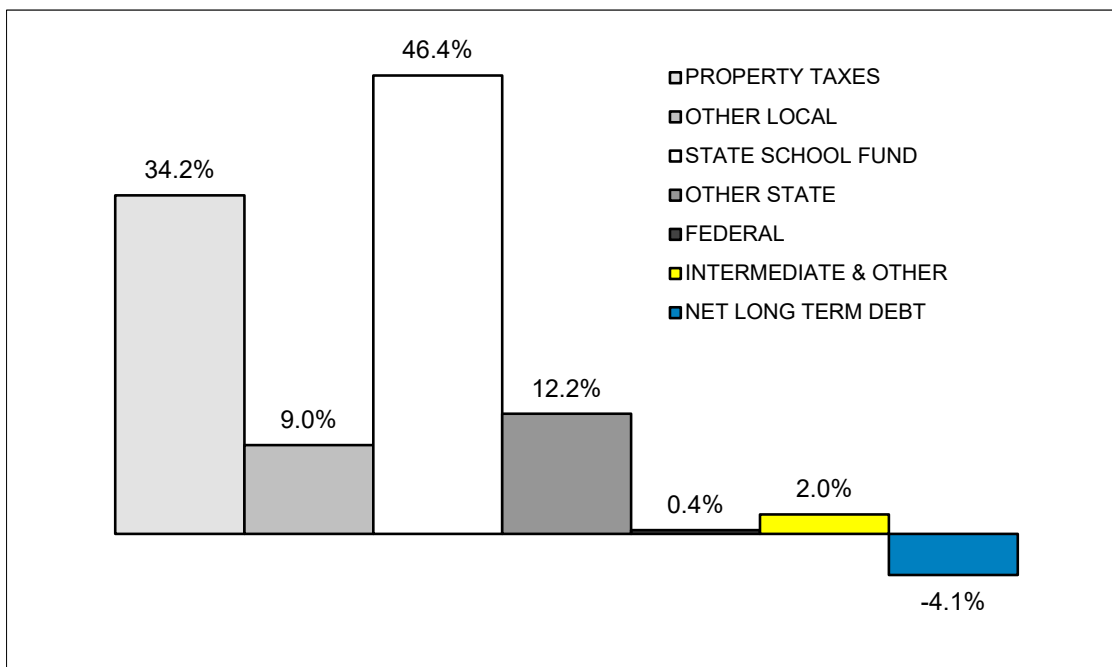
Education Stability Fund

Voters approved a constitutional amendment converting the Education Endowment Fund to the Education Stability Fund in 2002 allowing the principal to be used to fund education. The fund receives 18% of lottery net proceeds. The size is limited to 5% of General Fund revenue. Use of the principal requires meeting criteria reflective of an economic recession and approval by a 3/5 majority vote in each legislative chamber. The principal can also be used if the Governor declares an emergency and both chambers approve by a 3/5 majority vote. The principal can only be used to fund pre-kindergarten through higher education, continuing education and workforce training. Fund earnings currently are used to pay education lottery bond debt (75%) and provide scholarships (25%).

EXHIBIT G-1: SCHOOL RESOURCES

FY 2021-22 Audited (\$ thousands)

| | K-12 | ESD | TOTAL |
|-------------------------|--------------------|-----------------|--------------------|
| PROPERTY TAXES | 3,143,297 | 147,971 | 3,291,268 |
| OTHER LOCAL REVENUES | 700,354 | 162,233 | 862,587 |
| STATE SCHOOL FUND | 4,309,089 | 148,871 | 4,457,960 |
| COMMON SCHOOL FUND | 63,165 | 0 | 63,165 |
| OTHER STATE REVENUE | 894,795 | 212,173 | 1,106,968 |
| FEDERAL FOREST FEES | 9,362 | 4 | 9,366 |
| OTHER FEDERAL REVENUE | 26,214 | 2,781 | 28,995 |
| INTERMEDIATE & OTHER | 180,106 | 9,445 | 189,551 |
| NET LONG TERM DEBT | <u>-333,501</u> | <u>-64,136</u> | <u>-397,637</u> |
| TOTAL REVENUE | 8,992,881 | 619,342 | 9,612,223 |
| PLUS BEGINNING BALANCE | <u>5,215,463</u> | <u>140,500</u> | <u>5,355,963</u> |
| TOTAL RESOURCES | 14,208,344 | 759,842 | 14,968,186 |
| LESS TOTAL EXPENDITURES | <u>-12,492,621</u> | <u>-756,934</u> | <u>-13,249,555</u> |
| ENDING BALANCE | 1,715,723 | 2,908 | 1,718,631 |



Notes: Capital Projects and Debt Service Funds have a large share of the ending balance.
 Excludes Internal Services Funds and Trust and Agency Funds.
 Numbers exclude interfund transfers to avoid double counting.

Source: Oregon Department of Education financial data base.

EXHIBIT G-2: STATE SCHOOL SUPPORT HISTORY

| Fiscal Year | K-12 Audited Current Operating Expenditures | | Basic School Support Appropriation | | BSSF Share of Operating Expenditures |
|-------------|---|----------|------------------------------------|----------|--------------------------------------|
| | \$1,000 | % Change | \$1,000 | % Change | |
| 1947-48 | 43,513 | | 15,946 | | 36.6% |
| 1948-49 | 51,800 | 19.0% | 16,954 | 6.3% | 32.7% |
| 1949-50 | 58,799 | 13.5% | 17,489 | 3.2% | 29.7% |
| 1950-51 | 63,213 | 7.5% | 18,425 | 5.4% | 29.1% |
| | | | | | |
| 1951-52 | 72,330 | 14.4% | 29,597 | 60.6% | 40.9% |
| 1952-53 | 78,720 | 8.8% | 30,986 | 4.7% | 39.4% |
| 1953-54 | 87,691 | 11.4% | 32,370 | 4.5% | 36.9% |
| 1954-55 | 94,844 | 8.2% | 33,478 | 3.4% | 35.3% |
| 1955-56 | 102,336 | 7.9% | 35,144 | 5.0% | 34.3% |
| 1956-57 | 114,016 | 11.4% | 36,378 | 3.5% | 31.9% |
| | | | | | |
| 1957-58 | 122,597 | 7.5% | 45,153 | 24.1% | 36.8% |
| 1958-59 | 134,054 | 9.3% | 50,987 | 12.9% | 38.0% |
| 1959-60 | 152,022 | 13.4% | 52,612 | 3.2% | 34.6% |
| 1960-61 | 161,451 | 6.2% | 55,020 | 4.6% | 34.1% |
| 1961-62 | 177,526 | 10.0% | 61,785 | 12.3% | 34.8% |
| 1962-63 | 190,419 | 7.3% | 65,454 | 5.9% | 34.4% |
| | | | | | |
| 1963-64 | 208,685 | 9.6% | 65,184 | -0.4% | 31.2% |
| 1964-65 | 220,225 | 5.5% | 61,167 | -6.2% | 27.8% |
| 1965-66 | 239,193 | 8.6% | 72,088 | 17.9% | 30.1% |
| 1966-67 | 262,428 | 9.7% | 75,898 | 5.3% | 28.9% |
| 1967-68 | 286,729 | 9.3% | 77,786 | 2.5% | 27.1% |
| 1968-69 | 325,536 | 13.5% | 77,431 | -0.5% | 23.8% |
| | | | | | |
| 1969-70 | 363,633 | 11.7% | 88,928 | 14.8% | 24.5% |
| 1970-71 | 398,013 | 9.5% | 88,928 | 0.0% | 22.3% |
| 1971-72 | 421,635 | 5.9% | 99,428 | 11.8% | 23.6% |
| 1972-73 | 459,210 | 8.9% | 104,063 | 4.7% | 22.7% |
| 1973-74 | 505,138 | 10.0% | 143,520 | 37.9% | 28.4% |
| 1974-75 | 579,991 | 14.8% | 170,789 | 19.0% | 29.4% |
| | | | | | |
| 1975-76 | 659,718 | 13.7% | 200,733 | 17.5% | 30.4% |
| 1976-77 | 716,519 | 8.6% | 217,446 | 8.3% | 30.3% |
| 1977-78 | 777,130 | 8.5% | 269,000 | 23.7% | 34.6% |
| 1978-79 | 883,324 | 13.7% | 341,373 | 26.9% | 38.6% |
| 1979-80 | 993,142 | 12.4% | 384,379 | 12.6% | 38.7% |
| 1980-81 | 1,132,706 | 14.1% | 406,376 | 5.7% | 35.9% |
| | | | | | |
| 1981-82 | 1,248,596 | 10.2% | 413,960 | 1.9% | 33.2% |
| 1982-83 | 1,306,447 | 4.6% | 426,203 | 3.0% | 32.6% |

Note:

1. In 1992-93 state aid shifted to State School Fund(SSF) with a new distribution formula.
2. Operating revenue does not include federal and other non-formula revenue.
3. 1993-94 to present, SSF includes funds for state youth correction schooling.
4. 1997-98 to 99-00 State School Fund excludes funds not used due to a state and local revenue cap.
5. Additional funding outside the State School Fund: 1997-98 \$50 million for classroom needs; 1998-99 \$150 million lottery bond for capital; 1999-00 \$56 million lottery bond for capital; 2000-01 \$71 million lottery bond for capital; 2001-02 \$108 million for school improvement.
6. 1993-94 to present, SSF includes funds for state youth correction schooling.
7. The 1999-01 interim Emergency Board added revenue to the State School Fund appropriation.

| Fiscal Year | K-12 Audited Current Operating Expenditures | | Basic School Support Appropriation | | BSSF Share of Operating Expenditures |
|-------------|---|----------|------------------------------------|----------|--------------------------------------|
| | \$1,000 | % Change | \$1,000 | % Change | |
| 1983-84 | 1,375,777 | 5.3% | 431,200 | 1.2% | 31.3% |
| 1984-85 | 1,443,655 | 4.9% | 448,800 | 4.1% | 31.1% |
| 1985-86 | 1,536,009 | 6.4% | 463,000 | 3.2% | 30.1% |
| 1986-87 | 1,613,506 | 5.0% | 482,000 | 4.1% | 29.9% |
| | | | | | |
| 1987-88 | 1,717,051 | 6.4% | 496,832 | 3.1% | 28.9% |
| 1988-89 | 1,830,678 | 6.6% | 526,703 | 6.0% | 28.8% |
| 1989-90 | 1,983,316 | 8.3% | 570,429 | 8.3% | 28.8% |
| 1990-91 | 2,120,311 | 6.9% | 605,716 | 6.2% | 28.6% |
| 1991-92 | 2,264,071 | 6.8% | 805,000 | 32.9% | 35.6% |

| Fiscal Year | K-12 and ESD Formula Revenue | | State School Fund (State Resources) | | SSF Share of Formula Revenue |
|-------------------|------------------------------|----------|-------------------------------------|----------|------------------------------|
| | \$1,000 | % Change | \$1,000 | % Change | |
| 1991-92 | 2,379,032 | | 818,391 | | 34.4% |
| 1992-93 | 2,590,575 | 8.9% | 1,100,300 | 34.4% | 42.5% |
| 1993-94 | 2,475,136 | -4.5% | 1,131,900 | 2.9% | 45.7% |
| 1994-95 | 2,605,406 | 5.3% | 1,427,000 | 26.1% | 54.8% |
| 1995-96 | 2,651,525 | 1.8% | 1,750,000 | 19.1% | 66.0% |
| 1996-97 | 2,715,451 | 2.4% | 1,759,700 | 0.6% | 64.8% |
| | | | | | |
| 1997-98 | 2,918,589 | 7.5% | 2,022,873 | 15.0% | 69.3% |
| 1998-99 | 2,989,171 | 2.4% | 2,100,040 | 3.8% | 70.3% |
| 1999-00 | 3,210,469 | 7.4% | 2,243,058 | 6.8% | 69.9% |
| 2000-01 | 3,333,835 | 3.8% | 2,339,200 | 4.3% | 70.2% |
| 2001-02 | 3,469,061 | 4.1% | 2,428,964 | 3.8% | 70.0% |
| 2002-03 | 3,258,562 | -6.1% | 2,146,933 | -11.6% | 65.9% |
| | | | | | |
| 2003-04 | 3,723,250 | 14.3% | 2,589,764 | 20.6% | 69.6% |
| 2004-05 | 3,527,898 | -5.2% | 2,326,261 | -10.2% | 65.9% |
| 2005-06 | 3,851,661 | 9.2% | 2,566,510 | 10.3% | 66.6% |
| 2006-07 | 4,092,806 | 6.3% | 2,737,670 | 6.7% | 66.9% |
| | | | | | |
| 2007-08 | 4,333,485 | 5.9% | 2,917,575 | 6.6% | 67.3% |
| 2008-09 | 4,241,085 | -2.1% | 2,911,104 | -0.2% | 68.6% |
| 2009-10 | 4,270,004 | 0.7% | 2,940,096 | 1.0% | 68.9% |
| 2010-11 | 4,153,359 | -2.7% | 2,615,057 | -11.1% | 63.0% |
| 2011-12 | 4,309,559 | 3.8% | 2,867,830 | 9.7% | 66.5% |
| 2012-13 | 4,429,145 | 2.8% | 2,845,330 | -0.8% | 64.2% |
| 2013-14 | 4,844,380 | 9.4% | 3,209,696 | 12.8% | 66.3% |
| 2014-15 | 5,170,042 | 6.7% | 3,440,704 | 7.2% | 66.6% |
| 2015-16 | 5,437,147 | 5.2% | 3,629,130 | 5.5% | 66.7% |
| Revised 2016-17 | 5,603,652 | 3.1% | 3,744,972 | 3.2% | 66.8% |
| 2017-18 | 6,060,719 | 8.2% | 4,100,000 | 9.5% | 67.6% |
| 2018-19 | 6,198,543 | 2.3% | 4,100,000 | 0.0% | 66.1% |
| 2019-20 | 6,510,722 | 5.0% | 4,408,040 | 7.5% | 67.7% |
| 2020-21 | 6,789,115 | 4.3% | 4,587,960 | 4.1% | 67.6% |
| 2021-22 | 6,839,106 | 0.7% | 4,555,040 | -0.7% | 66.6% |
| 2022-23 | 7,136,613 | 4.4% | 4,740,960 | 4.1% | 66.4% |
| Estimates 2023-24 | 7,455,087 | 4.5% | 4,998,000 | 5.4% | 67.0% |
| Estimates 2024-25 | 7,751,032 | 4.0% | 5,202,000 | 4.1% | 67.1% |

8. 2007-09 SSF includes categorical grants but does not include any School Improvement Fund dollars.
9. 2009-11 SSF includes categorical grants and former School Improvement Fund dollars.

K-12 SCHOOL EQUALIZATION FORMULA

STATE SCHOOL FUND DISTRIBUTION

$$\text{District Formula Revenue (Equalization Funding)} = \text{General Purpose Grant} + \text{Transportation Grant} + \text{High Cost Disabilities Grant}$$

School District Revenue

$$\text{District Formula Revenue} = \text{State School Fund Grant} + \text{Local Revenue}$$

The school equalization formula determines each school district's general operating revenue from the State School Fund (SSF) in combination with local revenue. It is the sum of a general purpose grant, a transportation grant, a high cost disability grant and a facility grant. The formula allocates state and local revenue based on relative need for the formula component grants given the funding level available.

State School Fund

The Legislature allocates money to the State School Fund primarily from the state General Fund and lottery revenue for distribution to school districts.

Local Revenue

Statutorily, the school formula only includes district local revenue from the following sources:

Operating property taxes collected (including prior years)

Common School Fund

County School Fund

State managed county trust forests (Chapter 530)

ESD funds required to be shared with school districts

Revenue *in lieu* of property taxes

Supplantable federal funds

General Purpose Revenue

$$\text{General Purpose Grant} = \text{Weighted Students (ADMw)} \times \$4,500 \text{ Adjusted by Teacher Experience and Balanced to Available Funds}$$

Weighted Students (ADMw)

Weighted student count is measured by average daily membership with extra counts or weights for students in special categories. Average daily membership (ADM) is the average number of resident students during the school year. Weighted ADM or ADMw counts students in special enrollment categories as more than one student.

The higher of the current year or prior year ADMw is used. The higher count is called extended ADMw.

Student Weights

Student weight categories are as follows:

| Category | Additional Weight | Count (ADMw) |
|--------------------------------------|-------------------|--------------|
| Special Education and At Risk | | |
| Individual Education Program | 1.00 | 2.00 |
| English Language Learner | 0.50 | 1.50 |
| Pregnant and Parenting | 1.00 | 2.00 |
| Students in Poverty Adjusted | 0.25 | 1.25 |
| Neglected and Delinquent | 0.25 | 1.25 |
| Students in Foster Care | 0.25 | 1.25 |
| Grade and School | | |
| Kindergarten (Half-day) | -0.50 | 0.50 |
| Elementary District | -0.10 | 0.90 |
| Union High District | 0.20 | 1.20 |
| Remote Small School | Varies | |

Individual Education Program Weight

Students with various limitations such as hearing, speech, and visual impairments receive special individual education. The count cannot exceed 11% of ADM without approval by the Department of Education.

Remote Small School Weight

A school site qualifies for additional ADMw if

| | Elementary | High |
|--|------------|-----------|
| ADM less than (varies with grades) | 252 (9gr) | 350 (4gr) |
| Distance to nearest same district school more than | 8 miles | |

The additional ADMw varies with number of students and distance. Generally, the smaller the school the greater the additional weight per student. The high school distance adjustment for being less than 20 miles from the nearest high school was phased out and sunset at the end of 2004-05. The weighting scheme will change when full-day kindergarten ADM weight becomes the same as other grades.

Teacher Experience and Balance to Funding

The dollars per weighted student target is arbitrarily set at \$4,500 (adopted in 1991) before adjustment for teacher experience.

The teacher experience adjustment increases (or decreases) the target by \$25 for each year the district average teacher experience is more (or less) than the statewide average teacher experience.

A calculated multiplier balances funds available to funds allocated. The multiplier modifies the adjusted target amount to distribute the available state appropriation. The multiplier changes over time and is estimated to be 1.9964 using \$4,500 per ADMw in 2022-23. The equivalent amount is \$8,984 per ADMw.

Transportation Revenue

Transportation Grant

=

70% to 90% of Transportation Costs

Districts are ranked by approved transportation costs per student from highest to lowest. The district grant depends on the following ranking:

| District Rank | % of Costs |
|---------------|------------|
| Top 10% | 90% |
| Next 10% | 80% |
| Bottom 80% | 70% |

The grant is the percent of costs corresponding to district rank times approved transportation costs.

Approved transportation costs are the following:

- Preschool handicapped students
- Elementary students more than 1 mile from school
- Secondary students more than 1.5 miles from school
- Students going between school facilities
- Students on field trips
- Health or safety needs
- Room and board *in lieu* of transportation

The 2023 legislature expanded the definition of eligible transportation means to include certain alternative transportation methods.

High Cost Disabilities Revenue

High Cost Disabilities Grant

=

Up to Sum of Costs above \$30,000 per Disability Student

For a student with approved disability costs above \$30,000, the grant is the cost minus \$30,000. The district grant is the sum of the grants for each student with disability costs above \$30,000. ESD costs for each student can be included in the student total. Total district grants cannot exceed \$55 million per year. If total grants initially exceed this amount, the grants are reduced proportionally.

School Revenue Share

The school share of both school district and ESD formula revenue is 95.5%. Formula revenue is State School Fund dollars available for distribution to school districts and ESDs and designated local revenue (primarily property taxes) included for each in their respective formulas. The K-12 equalization formula uses 95.5% of this total to allocate to school districts.

State Payment Schedule

The July payment is 16.67% of the estimated State School Fund grant with 8.33% in each of the following 10 months. There is no June payment. Adjustment for audited data occurs in the following year.

Other State School Fund Allocations

The 2023 Legislature allocated \$18.0 million of the State School Fund for special programs and grants for the 2023-25 biennium. The largest were \$5 million to small districts with small high schools and \$4.3 million for purposes of funding the Oregon Youth Challenge Program.

The 2023 legislature appropriated \$42.9 million from the SSF to the Educator Advancement Fund for the biennium. The fund is financed by \$6.5 million carve-out and \$18.2 million each from the school districts and education service districts. The 2023 Legislature also decided to provide Local Option Equalization Grants \$4.0 million from the SSF.

| FORMULA GRANT PERCENTAGE by DISTRICT SIZE | | | | | |
|---|----------------|---------------------|-------------------|-----------------|----------------------------|
| 2022-23 | | | | | |
| District Size by ADM | # of Districts | General Purpose | Transportation | Facility Grant | High Cost Disability Grant |
| 0- 500 | 75 | \$ 231,282,642.76 | \$ 15,544,303.20 | \$ 29,171.00 | \$ 209,342.96 |
| 500- 1,000 | 31 | \$ 277,779,532.18 | \$ 13,550,182.00 | \$ 8,486.00 | \$ 881,892.23 |
| 1,000- 3,000 | 47 | \$ 999,667,917.60 | \$ 43,751,488.20 | \$ 49,352.00 | \$ 4,036,157.18 |
| 3,000- 5,000 | 17 | \$ 751,912,683.68 | \$ 32,476,098.90 | \$ 40,048.00 | \$ 6,997,198.22 |
| 5,000-10,000 | 19 | \$ 1,528,227,458.81 | \$ 66,625,715.10 | \$ 452,387.00 | \$ 13,753,394.10 |
| 10,000 and Greater | 10 | \$ 2,660,283,660.92 | \$ 128,912,767.20 | \$ 1,145,712.00 | \$ 29,122,015.31 |

ESD EQUALIZATION

STATE SCHOOL FUND DISTRIBUTION

| | | |
|---------------------------------|----------|--|
| General Services Revenue | = | Higher of (1) Base Revenue X Percent to Balance (2) \$1.165 million (proportional change with SSF) |
|---------------------------------|----------|--|

Equalization

The ESD equalization formula determines each ESD's operating revenue from the State School Fund and local revenue. The allocation formula basically assumes that ESD revenue should be proportional to the equalization formula revenue of component school districts.

Revenue Share

Starting from 2011-12 school year, the ESD share of both school district and ESD formula revenue is 4.5%. Formula revenue is State School Fund dollars available for distribution to school districts and ESDs and designated local revenue (primarily property taxes) included for each in the respective formulas. Starting from 2011-12, some school districts can opt out of ESD's and get reimbursement of their share of prorated formula revenues.

Component School Districts

The school districts within the boundary of an ESD are the ESD's component school districts.

General Services Revenue

General services revenue equals the district base revenue. The source is State School Fund revenue and the local revenue of the ESD.

| | | | | |
|--------------------------|---|-------------------------|---|---------------|
| General Services Revenue | = | State School Fund Grant | + | Local Revenue |
|--------------------------|---|-------------------------|---|---------------|

State School Fund Grant

The State School Fund Grant is the ESD's allocated general services amount less its local revenue.

Local Revenue

Local revenue is the sum of these two sources:

- Operating property tax collections (including prior years)
- State managed county trust timber (Chapter 530).

Excess Local Revenue

If an ESD's local revenue is greater than its general services revenue, then the State School Fund grant is zero. Any local revenue in excess of the general services revenue is distributed to component districts proportional to ADMw (extended) and is included as local revenue for them in the school formula the following year.

Base Revenue and Minimum Base

The base revenue is 4.712% times the sum of the school formula revenue for the ESD's component districts. With the ESD total state and local share set at 4.5%, the ESD percent applied to the school district 95.5% must be more than 4.5% (4.712%*95.5%=4.5%).

| | | | | |
|--------------|---|--------|---|--|
| Base Revenue | = | 4.712% | X | Sum of Component School District Revenue |
|--------------|---|--------|---|--|

By using school district formula revenue as the basis for allocating general services revenue, ESD equalization depends on the same factors as school district equalization. ESDs in their role of assisting component school districts are assumed to have the same relative need for funds as their school districts.

The district minimum allocation is \$1.165 million per school year beginning in 2015-16. This minimum allocation is adjusted proportionately as the SSF fluctuates after 2015-16.

Percent to Balance

Applying the 4.712% to the sum of the component district formula revenue uses up the 4.5% of total revenue available for schools and ESDs. So if extra funds are necessary to meet the \$1.165 million minimum, then the higher total must be reduced to stay within the 4.5% of available funds. Multiplying allocated revenue excluding minimums by a percent slightly less than 100% brings the total down to available funds. The percentage has to be further reduced to accommodate (1) ESD's share of \$16.5 million per biennium to the Quality Teaching and Learning Network, and (2) up to \$484,000 per year for 10th grade assessment testing.

State Payment Schedule

The July payment is 16.67% of the estimated State School Fund grant with 8.33% in each of the following 10 months. There is no June payment. Adjustments for audited data are made the following year.

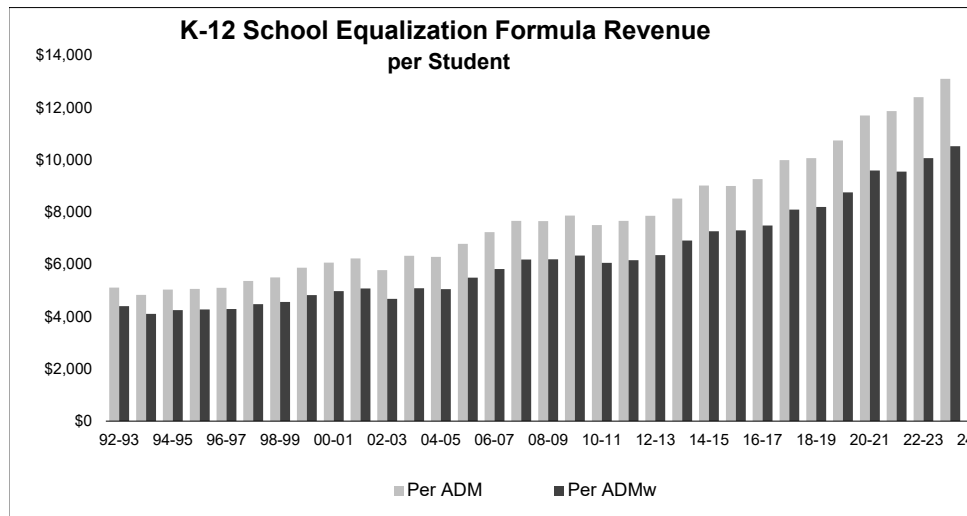
ESD Students

The student count for an ESD is considered to be the sum of the students in its component school districts. However, the formula does not directly use an ESD student count.

EXHIBIT G-3: K-12 SCHOOL EQUALIZATION FORMULA REVENUE **Per Student**

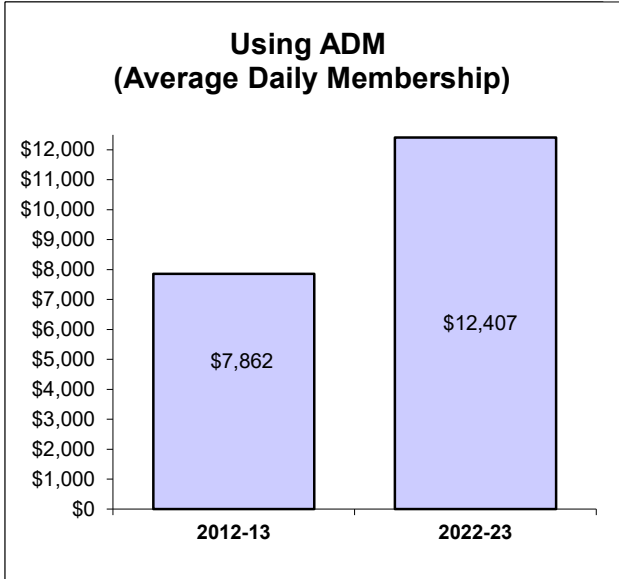
| | Average Daily Membership | | | | State School Fund and Formula Local Revenue | | | |
|------------------|--------------------------|--------|-----------------|--------|---|--------|-------------|--------|
| | Unweighted (ADM) | | Weighted (ADMw) | | \$ Per ADM | | \$ Per ADMw | |
| | # | Growth | # | Growth | \$ | Change | \$ | Change |
| 1992-93 | 487,075 | | 566,149 | | 5,117 | | 4,403 | |
| 1993-94 | 491,982 | 1.01% | 578,602 | 2.20% | 4,834 | -5.5% | 4,110 | -6.6% |
| 1994-95 | 495,315 | 0.68% | 586,859 | 1.43% | 5,041 | 4.3% | 4,255 | 3.5% |
| 1995-96 | 501,929 | 1.34% | 595,070 | 1.40% | 5,064 | 0.5% | 4,272 | 0.4% |
| 1996-97 | 508,819 | 1.37% | 605,675 | 1.78% | 5,107 | 0.8% | 4,290 | 0.4% |
| 1997-98 | 514,094 | 1.04% | 616,035 | 1.71% | 5,371 | 5.2% | 4,482 | 4.5% |
| 1998-99 | 517,348 | 0.63% | 623,169 | 1.16% | 5,502 | 2.4% | 4,567 | 1.9% |
| 1999-00 | 519,545 | 0.42% | 632,895 | 1.56% | 5,876 | 6.8% | 4,823 | 5.6% |
| 2000-01 | 522,752 | 0.62% | 638,007 | 0.81% | 6,072 | 3.3% | 4,975 | 3.1% |
| 2001-02 | 528,346 | 1.07% | 647,959 | 1.56% | 6,232 | 2.6% | 5,082 | 2.1% |
| 2002-03 | 530,694 | 0.44% | 654,862 | 1.07% | 5,779 | -7.3% | 4,683 | -7.8% |
| 2003-04 | 528,186 | -0.47% | 657,110 | 0.34% | 6,330 | 9.5% | 5,088 | 8.6% |
| 2004-05 | 528,139 | -0.01% | 657,820 | 0.11% | 6,291 | -0.6% | 5,051 | -0.7% |
| 2005-06 | 533,311 | 0.98% | 658,860 | 0.16% | 6,792 | 7.9% | 5,497 | 8.8% |
| 2006-07 | 533,216 | -0.02% | 662,736 | 0.59% | 7,240 | 6.6% | 5,825 | 6.0% |
| 2007-08 | 533,405 | 0.04% | 660,918 | -0.27% | 7,671 | 6.0% | 6,191 | 6.3% |
| 2008-09 | 535,089 | 0.32% | 661,507 | 0.09% | 7,656 | -0.2% | 6,193 | 0.0% |
| 2009-10 | 534,217 | -0.16% | 662,867 | 0.21% | 7,869 | 2.8% | 6,342 | 2.4% |
| 2010-11 | 533,160 | -0.20% | 660,182 | -0.40% | 7,504 | -4.6% | 6,060 | -4.4% |
| 2011-12 | 532,255 | -0.17% | 662,817 | 0.40% | 7,671 | 2.2% | 6,160 | 1.6% |
| 2012-13 | 533,787 | 0.29% | 659,846 | -0.45% | 7,862 | 2.5% | 6,360 | 3.3% |
| 2013-14 | 538,234 | 0.83% | 663,123 | 0.50% | 8,520 | 8.4% | 6,916 | 8.7% |
| 2014-15 | 541,419 | 0.59% | 671,863 | 1.32% | 9,018 | 5.8% | 7,267 | 5.1% |
| 2015-16 | 568,642 | 5.03% | 701,304 | 4.38% | 9,003 | -0.2% | 7,300 | 0.5% |
| 2016-17 | 571,578 | 0.52% | 707,233 | 0.85% | 9,262 | 2.9% | 7,486 | 2.5% |
| 2017-18 | 572,677 | 0.19% | 706,296 | -0.13% | 9,992 | 7.9% | 8,102 | 8.2% |
| 2018-19 | 573,825 | 0.20% | 704,553 | -0.25% | 10,071 | 0.8% | 8,202 | 1.2% |
| 2019-20 | 574,147 | 0.06% | 704,654 | 0.01% | 10,749 | 6.7% | 8,758 | 6.8% |
| 2020-21 | 554,162 | -3.48% | 675,690 | -4.11% | 11,700 | 8.8% | 9,596 | 9.6% |
| 2021-22 | 544,865 | -1.68% | 676,997 | 0.19% | 11,868 | 1.4% | 9,551 | -0.5% |
| 2022-23 | 544,063 | -0.15% | 670,278 | -0.99% | 12,407 | 4.5% | 10,070 | 5.4% |
| 2023-24 Est | 538,134 | -1.09% | 669,660 | -0.09% | 13,104 | 5.6% | 10,530 | 4.6% |
| 2024-25 Forecast | 538,445 | 0.06% | 667,570 | -0.31% | 13,597 | 3.8% | 10,967 | 4.2% |

Green = estimate from SSF formula
Yellow = forecast

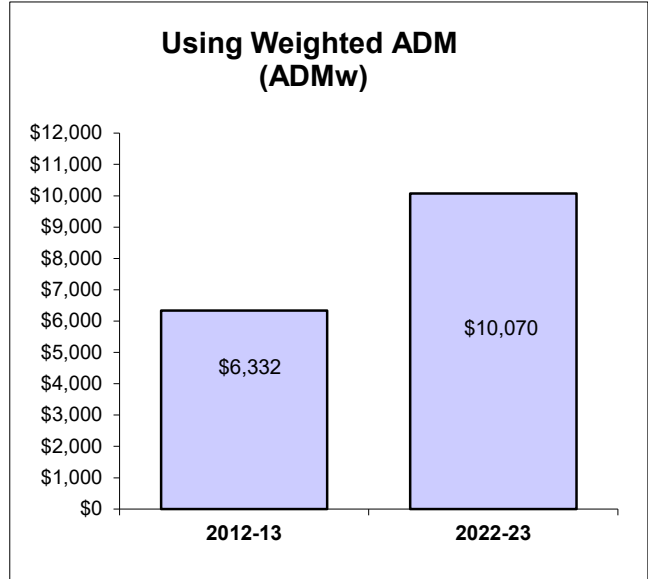


Notes:
Excludes revenue outside the school formula like school improvement funds, lottery revenue bonds and federal funds.
ADMw is extended ADMw (higher of current or prior year ADMw).
Includes students in the state youth corrections program beginning in 1997-98.
Includes students in the state youth detention program beginning in 2001-02.

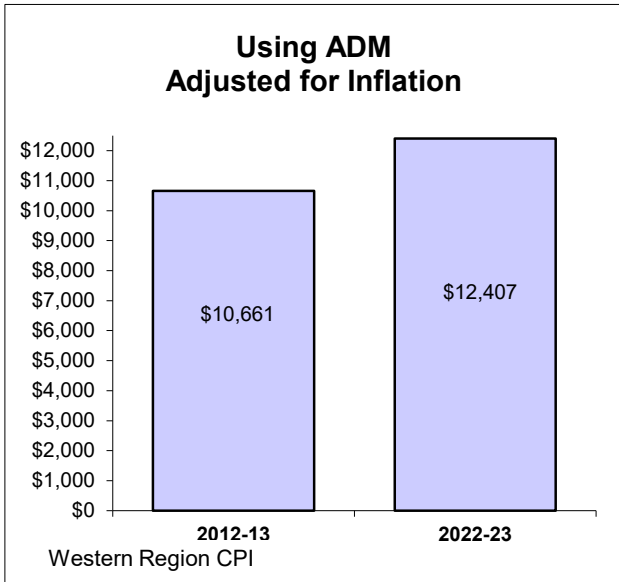
EXHIBIT G-4: K-12 SCHOOL FINANCIAL TRENDS STATE AND LOCAL FORMULA REVENUE PER STUDENT 10 Year Comparison



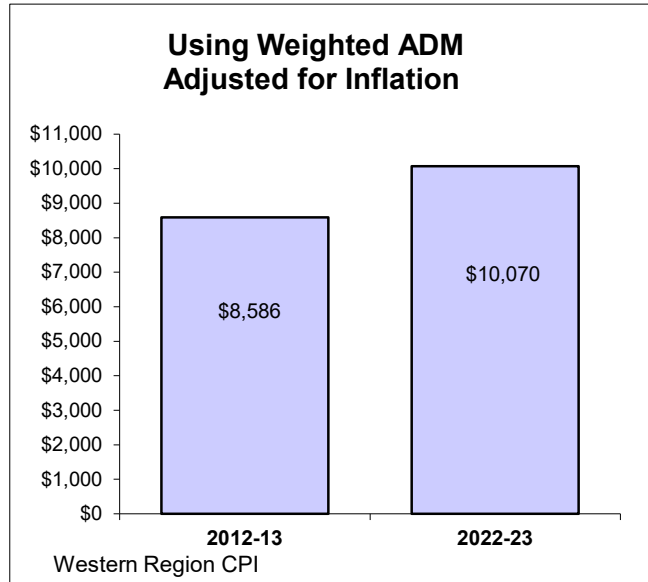
Revenue per student increases about 58%.



Revenue per weighted student increases about 59%.



Revenue per student adjusted for inflation increases about 16%.



Revenue per weighted student adjusted for inflation increases about 17%.

EXHIBIT G-5: K-12 and ESD Revenue History
(\$ millions)

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue Source | | | | | | | | | | | Estimates** | | Forecasts** | |
| State (A) | | | | | | | | | | | | | | |
| State School Fund | \$2,754.3 | \$2,856.8 | \$3,209.7 | \$3,440.7 | \$3,627.5 | \$3,745.5 | \$4,101.9 | \$4,101.9 | \$4,500.0 | \$4,500.0 | \$4,772.2 | \$4,772.2 | \$5,100.0 | \$5,100.0 |
| Local K-12 (B)* | | | | | | | | | | | | | | |
| Property and Timber Taxes | 1,400.1 | 1,421.3 | 1,466.5 | 1,541.6 | 1,616.5 | 1,685.8 | 1,753.3 | 1,819.0 | 1,904.5 | 1,975.9 | 2,082.1 | 2,186.0 | 2,284.4 | 2,380.4 |
| Other Local | 86.6 | 95.8 | 86.8 | 92.6 | 99.2 | 90.5 | 98.9 | 100.5 | 93.7 | 95.9 | 106.1 | 113.7 | 115.5 | 116.8 |
| Excluded from Formula | <u>-18.7</u> | <u>-19.3</u> | <u>-19.9</u> | <u>-20.5</u> | <u>-22.6</u> | <u>-23.6</u> | <u>-24.5</u> | <u>-25.4</u> | <u>-31.5</u> | <u>-32.5</u> | <u>-34.2</u> | <u>-36.2</u> | <u>-37.6</u> | <u>-39.0</u> |
| | 1,467.9 | 1,497.8 | 1,533.5 | 1,613.7 | 1,693.2 | 1,752.8 | 1,827.6 | 1,894.1 | 1,966.7 | 2,039.2 | 2,153.9 | 2,263.6 | 2,362.3 | 2,458.2 |
| Local ESD (C)* | | | | | | | | | | | | | | |
| Property Tax and other Local | 100.9 | 102.3 | 103.3 | 108.6 | 113.8 | 118.6 | 121.3 | 125.9 | 135.7 | 140.7 | 145.3 | 149.7 | 162.2 | 169.0 |
| Shared with K-12 | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>-4.0</u> | <u>-4.0</u> | <u>-4.0</u> | <u>-4.0</u> | <u>-4.0</u> | <u>-4.0</u> | <u>-4.0</u> | <u>-4.0</u> |
| | 100.9 | 102.3 | 103.3 | 108.6 | 113.8 | 118.6 | 117.3 | 121.9 | 131.7 | 136.7 | 141.3 | 145.7 | 158.2 | 165.0 |
| Total Sources (A+B+C) | 4,323.2 | 4,456.9 | 4,846.5 | 5,163.0 | 5,434.5 | 5,616.9 | 6,046.8 | 6,117.9 | 6,598.4 | 6,675.9 | 7,067.4 | 7,181.5 | 7,620.5 | 7,723.2 |

Notes: Dollars in millions.

*Due to timing of data collection, local revenues here may be different from audited figures.

**Estimates and forecasts as of February, 2023

EXHIBIT G-6: States Rank: Revenue Per Student FY 2022 (\$)

| Rank | Public Elementary-Secondary School Revenue | | | | | | | |
|------|--|--------|-----------------|-------|---------------|--------|---------------|--------|
| | Total | | Federal Sources | | State Sources | | Local Sources | |
| | US..... | 18,911 | US..... | 2,564 | US..... | 8,267 | US..... | 8,079 |
| 1 | NY..... | 35,902 | DC..... | 4,546 | VT..... | 23,889 | DC..... | 28,299 |
| 2 | DC..... | 32,846 | AK..... | 4,396 | HI..... | 17,436 | NY..... | 20,329 |
| 3 | NJ..... | 29,019 | ND..... | 3,441 | NJ..... | 12,996 | CT..... | 16,020 |
| 4 | CT..... | 28,363 | MT..... | 3,307 | NY..... | 12,970 | NH..... | 14,054 |
| 5 | VT..... | 27,338 | KY..... | 3,224 | WA..... | 12,848 | NJ..... | 13,875 |
| 6 | PA..... | 24,917 | LA..... | 3,197 | AK..... | 12,341 | PA..... | 12,978 |
| 7 | MA..... | 24,274 | PA..... | 3,094 | DE..... | 12,158 | MA..... | 11,787 |
| 8 | IL..... | 23,043 | SD..... | 3,071 | WY..... | 11,518 | IL..... | 11,385 |
| 9 | RI..... | 22,760 | MI..... | 3,063 | CA..... | 11,462 | RI..... | 11,094 |
| 10 | NH..... | 22,738 | CA..... | 3,047 | MN..... | 11,204 | MD..... | 10,190 |
| 11 | WY..... | 22,102 | MS..... | 3,041 | NM..... | 10,820 | ME..... | 10,189 |
| 12 | CA..... | 21,748 | HI..... | 2,987 | KS..... | 10,377 | OH..... | 9,511 |
| 13 | DE..... | 21,713 | WV..... | 2,962 | OR..... | 10,209 | NE..... | 9,460 |
| 14 | AK..... | 21,311 | NM..... | 2,942 | MA..... | 10,208 | CO..... | 8,364 |
| 15 | MD..... | 21,216 | AR..... | 2,913 | MI..... | 10,138 | LA..... | 8,319 |
| 16 | HI..... | 20,584 | VT..... | 2,873 | CT..... | 10,069 | VA..... | 8,181 |
| 17 | ME..... | 20,563 | WY..... | 2,867 | NV..... | 9,960 | MO..... | 7,925 |
| 18 | WA..... | 20,309 | DE..... | 2,778 | AR..... | 9,553 | WY..... | 7,717 |
| 19 | OR..... | 19,329 | NC..... | 2,738 | ND..... | 9,258 | TX..... | 7,486 |
| 20 | MI..... | 19,318 | RI..... | 2,657 | IL..... | 9,202 | GA..... | 7,293 |
| 21 | ND..... | 18,869 | TX..... | 2,649 | WI..... | 9,023 | CA..... | 7,239 |
| 22 | MN..... | 18,807 | AZ..... | 2,626 | RI..... | 9,008 | SC..... | 7,100 |
| 23 | OH..... | 18,334 | SC..... | 2,606 | IN..... | 8,860 | OR..... | 7,014 |
| 24 | LA..... | 17,770 | NY..... | 2,602 | PA..... | 8,844 | DE..... | 6,776 |
| 25 | WI..... | 17,289 | TN..... | 2,596 | MD..... | 8,596 | SD..... | 6,763 |
| 26 | SC..... | 17,110 | GA..... | 2,591 | ME..... | 8,267 | FL..... | 6,638 |
| 27 | NM..... | 16,765 | OH..... | 2,558 | IA..... | 8,138 | WI..... | 6,269 |
| 28 | VA..... | 16,732 | OK..... | 2,555 | KY..... | 7,677 | MT..... | 6,242 |
| 29 | CO..... | 16,477 | WA..... | 2,504 | WV..... | 7,515 | ND..... | 6,170 |
| 30 | GA..... | 16,401 | AL..... | 2,481 | NC..... | 7,505 | MI..... | 6,117 |
| 31 | NE..... | 16,353 | IL..... | 2,456 | AL..... | 7,415 | IA..... | 6,024 |
| 32 | IA..... | 16,331 | MD..... | 2,430 | SC..... | 7,403 | TN..... | 5,516 |
| 33 | KY..... | 16,243 | FL..... | 2,352 | ID..... | 6,762 | WV..... | 5,470 |
| 34 | WV..... | 15,947 | MO..... | 2,350 | NH..... | 6,681 | MN..... | 5,395 |
| 35 | KS..... | 15,927 | NV..... | 2,305 | GA..... | 6,517 | KY..... | 5,342 |
| 36 | MT..... | 15,805 | MA..... | 2,280 | VA..... | 6,512 | AZ..... | 5,252 |
| 37 | MO..... | 15,758 | CT..... | 2,274 | CO..... | 6,372 | OK..... | 5,074 |
| 38 | IN..... | 15,397 | MN..... | 2,208 | OH..... | 6,265 | WA..... | 4,957 |
| 39 | TX..... | 14,696 | IA..... | 2,169 | MT..... | 6,256 | IN..... | 4,627 |
| 40 | NV..... | 14,376 | NJ..... | 2,148 | LA..... | 6,254 | UT..... | 4,594 |
| 41 | AL..... | 14,300 | ME..... | 2,107 | MS..... | 5,719 | AK..... | 4,575 |
| 42 | AR..... | 14,268 | OR..... | 2,106 | UT..... | 5,549 | AL..... | 4,404 |
| 43 | SD..... | 14,173 | ID..... | 2,096 | TN..... | 5,516 | MS..... | 4,288 |
| 44 | TN..... | 13,628 | VA..... | 2,038 | MO..... | 5,483 | KS..... | 3,943 |
| 45 | NC..... | 13,448 | NH..... | 2,003 | AZ..... | 5,482 | NC..... | 3,205 |
| 46 | AZ..... | 13,360 | WI..... | 1,998 | OK..... | 5,452 | NM..... | 3,002 |
| 47 | FL..... | 13,275 | NE..... | 1,983 | NE..... | 4,910 | ID..... | 2,682 |
| 48 | OK..... | 13,081 | IN..... | 1,910 | TX..... | 4,561 | NV..... | 2,111 |
| 49 | MS..... | 13,049 | CO..... | 1,740 | SD..... | 4,339 | AR..... | 1,802 |
| 50 | UT..... | 11,623 | KS..... | 1,607 | FL..... | 4,285 | VT..... | 576 |
| 51 | ID..... | 11,540 | UT..... | 1,480 | DC..... | (X) | HI..... | 161 |

Source: 2022 Public Elementary-Secondary Education Finance Data (census.gov)

CORPORATE ACTIVITY TAX

Overview of Corporate Activity Tax

The 2019 Legislature passed the Student Success Act creating the Corporate Activity Tax (CAT) as a dedicated source of education funding.

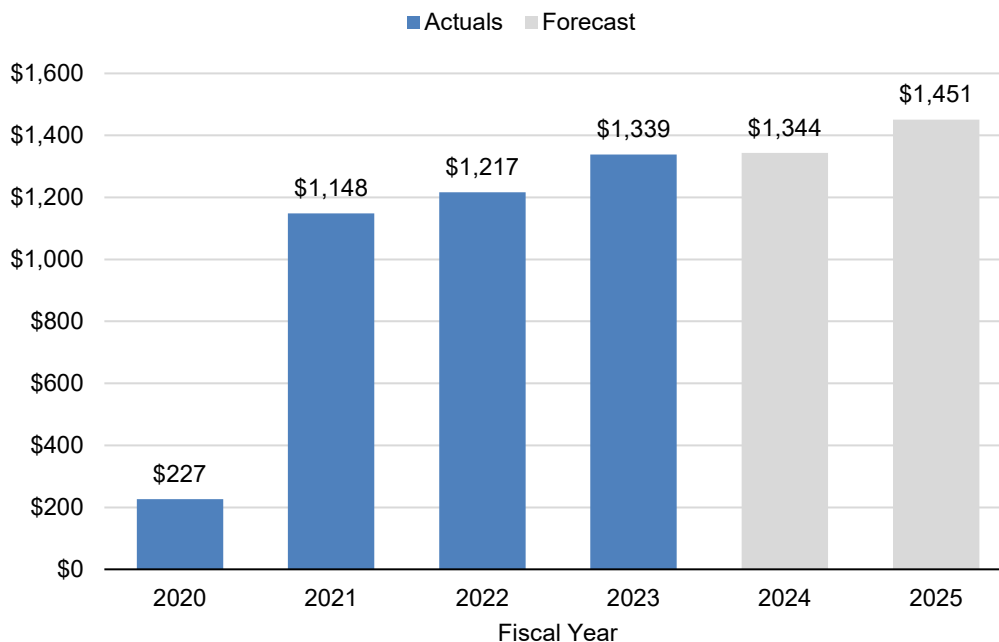
The CAT is based on commercial activity in Oregon. For purposes of the tax, commercial activity is “...the total amount realized by a person, arising from transactions and activity in the regular course of the person’s trade or business...” Businesses with taxable commercial activity of \$1 million or more are required to pay the tax of \$250 plus 0.57% on taxable commercial activity above \$1 million.

$$\text{Tax Liability} = \$250 + (0.57\% \times \text{Taxable Commercial Activity over } \$1 \text{ million})$$

When calculating **taxable commercial activity**, taxpayers are allowed a subtraction equal to 35 percent of the greater of input costs or labor costs. Some products, such as the wholesale and retail sale of groceries and motor fuel are exempt from the tax. General contractors building single-family residential homes are allowed a 15 percent exclusion of qualified labor payments made to subcontractors. Exhibit 8 graphs CAT collections and forecast from 2020 to 2025.

Taxable Commercial Activity = All Oregon Commercial Activity - Exclusions - Subtractions

EXHIBIT G-7: CAT Collections (Millions)



Distribution of Corporate Activity Tax

The CAT was implemented to provide funds for education. CAT revenue, net of administration, collections and enforcement expenses, is transferred to the Fund for Student Success. Each biennium, at least \$40 million is transferred from the Fund for Student Success to the State School Fund's High Cost Disabilities Account. Additionally, personal income tax rates were reduced when the CAT was implemented. An amount, equal to the reduction in personal income tax collections, is transferred to the State School Fund.

Remaining revenues in the Fund for Student Success, excluding revenues retained for cashflow purposes, are directed into three spending accounts. The Student Investment Account (SIA) receives at least 50%; the Statewide Education Initiatives Account (SEIA) receives up to 30%; and the Early Learning Account (ELA) receives at least 20%. The following table shows distributions of the Fund for Student Success published in the September 2024 forecast by the Office of Economic Analysis.

EXHIBIT G-8: Distributions (millions)

| Biennium | State School Fund | Student Investment Account | Statewide Education Initiative Account | Early Learning Account | Total |
|----------|-------------------|----------------------------|--|------------------------|-----------|
| 2023-25 | \$777.2 | \$1,087.2 | \$548.5 | \$500.4 | \$2,913.3 |
| 2025-27 | \$822.7 | \$1,252.7 | \$751.6 | \$501.1 | \$3,328.1 |
| 2027-29 | \$903.6 | \$1,302.3 | \$781.4 | \$520.9 | \$3,508.2 |

The SIA account is for specific purposes including increased learning time, student health and safety, and reduced class sizes. The SEIA and ELA funds are allocated to specific programs including the High School Graduation & College and Career Readiness program and the Oregon Prekindergarten.

EXHIBIT G-9

Number of CAT Returns by Industry, Tax Year 2021

| Industry | |
|--|--------|
| Agriculture, Forestry, Fishing, and Hunting | 1,050 |
| Mining | 50 |
| Utilities | 80 |
| Construction | 3,860 |
| Manufacturing | 2,540 |
| Wholesale Trade | 1,680 |
| Retail Trade | 3,010 |
| Transportation and Warehousing | 700 |
| Information | 450 |
| Finance and Insurance | 940 |
| Real Estate, Rental, and Leasing | 2,120 |
| Professional, Scientific, and Technical Services | 2,410 |
| Management of Companies and Enterprises | 690 |
| Administrative, Support, and Waste Management | 640 |
| Education Services | 80 |
| Health Care and Social Assistance | 1,810 |
| Arts, Entertainment, and Recreation | 230 |
| Accommodation and Food Services | 1,660 |
| Other Services (except Public Administration) | 790 |
| Unknown | 130 |
| Total | 24,920 |

Note: Total counts may not equal sum of categories due to rounding in source data.

Share of CAT Returns by Industry

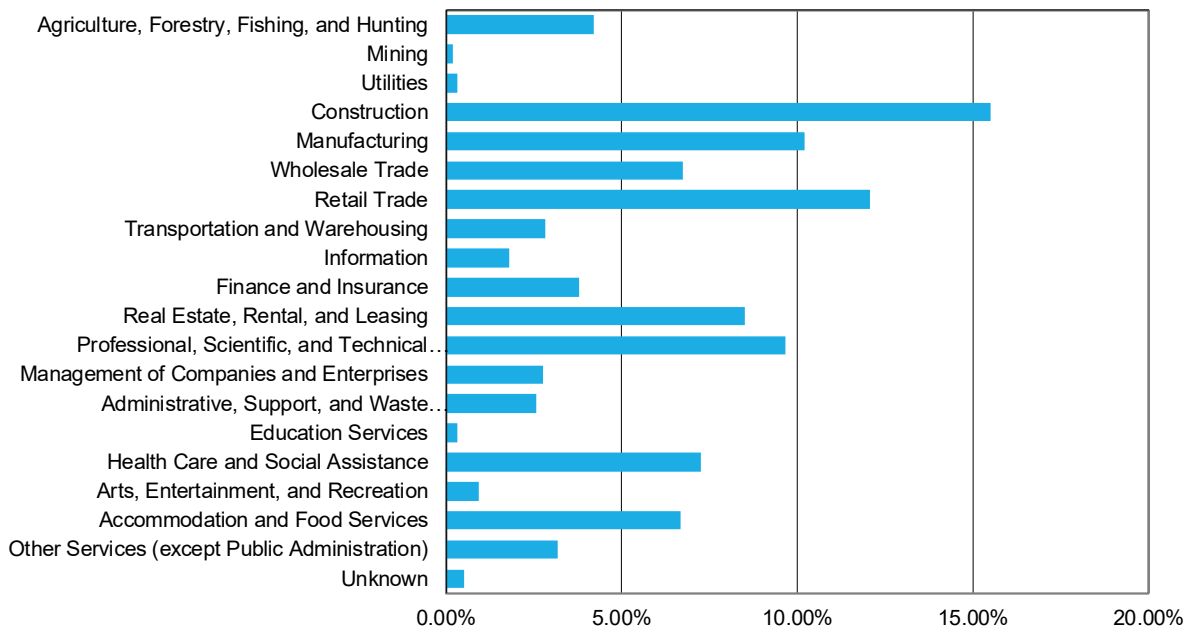
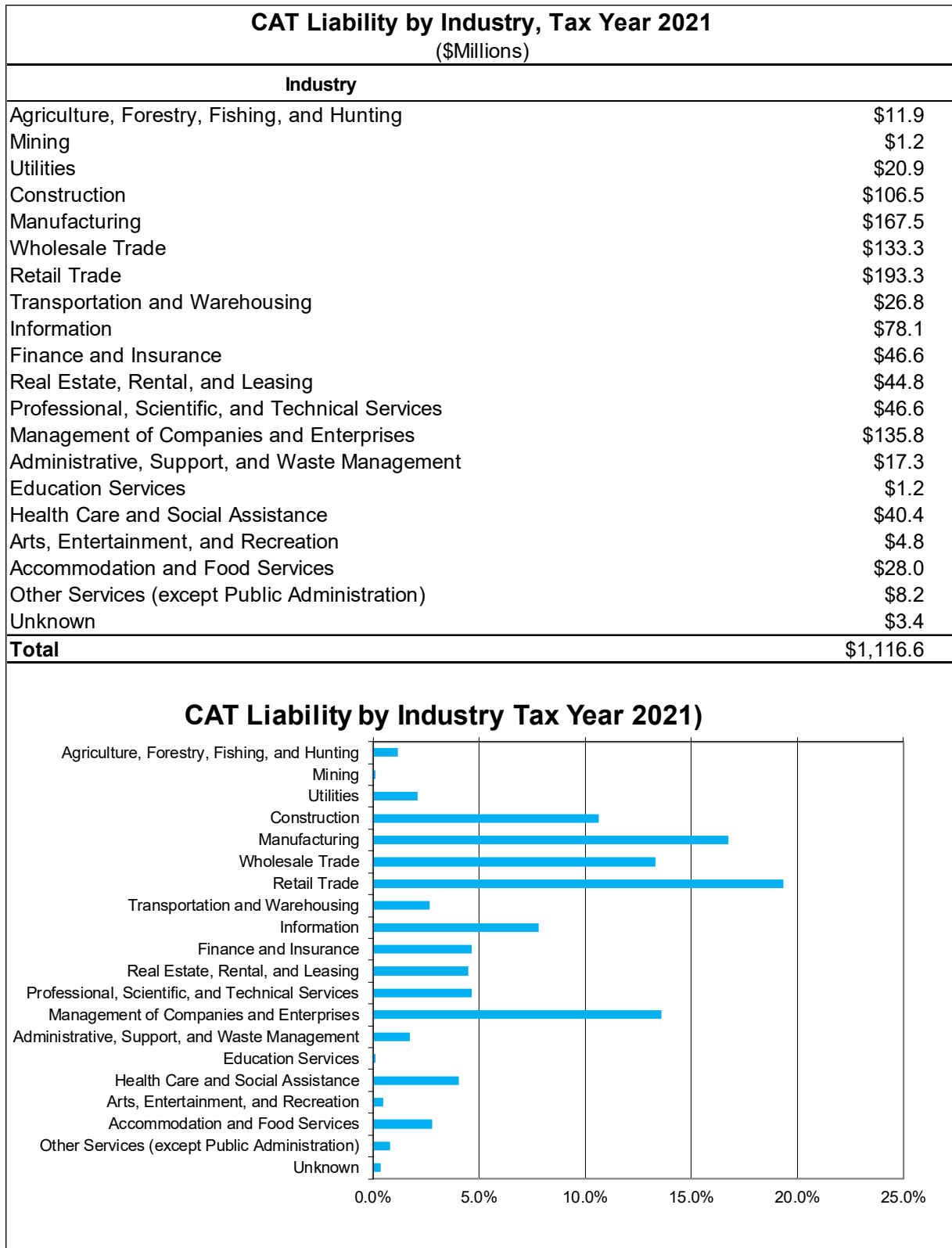


EXHIBIT G-10



SECTION H - HIGHWAY and TRANSPORTATION TAXES

Highway finance interacts with several aspects of Transportation policy and regulations. However, the following major revenue sources constitute the five pillars of Highway finance in Oregon:

Fuel taxes include Motor Fuel Tax (gasoline) and Use fuel tax (diesel, natural gas, etc.) currently at 40 cents per gallon. Motor Fuel Tax is paid by the wholesaler and is included in the price at the pump. Non-highway or exempt users can apply for refunds of the taxes they paid. Use-Fuel tax (Diesel, CNG, etc.) is paid by the retailer or the user when purchased for highway use. Heavy vehicles pay the weight-mile taxes and not fuel tax.

Weight-Mile taxes (WMT) on heavy vehicles (trucks) are paid monthly to the Motor Carrier Division of the Department of Transportation for each mile traveled on Oregon roads. The cost per mile is based on the declared gross weight of the truck. The rate schedule ranges, in 2,000-pound increments, from 26,000 to 105,500. The rates increase from 7.26 cents per mile to 23.7 cents per mile for trucks below 80,000 pounds. The rates for trucks over 80,000 lb. increase while allowing a discount for a higher number of axles on the truck (table B). Overweight and over-dimensional vehicles pay additional fees known as (RUAF) Road Use Assessment Fees (10.3 per ESAL mile). Log, sand, gravel, wood chip and other dump trucks may elect to pay monthly fees in lieu of weight-mile taxes (flat fees). These are based on gross vehicle weight and do not vary with miles traveled.

Motor vehicle registration fees are imposed on cars and trucks. Cars and other vehicles less than 10,000 pounds pay \$86 a biennium or \$172 for a new vehicle 4-year registration (HB 2001, effective on Oct. 1, 2009). Truck registration fees are based on gross weight. Fees for vehicles with weights below 26,000 lb. range from \$391 to \$764. Registrations for trucks heavier than 26,000 lb. range from \$375 to \$1,295. Nonprofit organizations, tow trucks, and farm vehicles pay reduced fees based on separate registration schedules. HB 2017 changed most registration fees as shown on the next page.

Vehicle Titling Fees are imposed on cars and trucks. Vehicles under 26,000 pounds pay \$77 and vehicles over 26,000 pounds pay \$90. Salvage and duplicate titles pay \$27. HB 2017 further changed the title fees as shown on the next page.

Bonding started taking a bigger role in funding transportation with the introduction of the Oregon Transportation Improvement Act (OTIA) in 2001. OTIA I (HB 2142) dedicated \$71.2 million a biennium for debt service on \$400 million bonds for modernization projects. OTIA II (HB 4010 of 2002 first special session) took an advantage of lower interest rates and increased the limit on net proceeds to \$500 million. OTIA III (HB 2041 of the 2003 session) increased most fees and rates to provide debt service for \$1.6 billion in bond proceeds for bridge repair and replacement, and \$300 million in net proceeds for highway modernization. HB 2001 of the 2009 session (Jobs and Transportation Act) allowed new bonding for projects using \$70 million from the new revenue for annual debt service. Additional bonding was authorized by HB 2017 for the Rose Quarter project.

The above revenue sources make up the majority of state funds available for highways. There are, however, other fees on recreational vehicles, motor homes, personalized license plates, and driver's licenses. The different fees address multiple facets of the operation or regulation of the transportation system, and some of the fees are dedicated to non-highway uses, such as state parks. Connect Oregon (I, II, III and IV), which funds multimodal projects, was financed mostly by Lottery backed bonding. Expect for the fourth act which allocated \$40 million in bonds, the first

three acts were all at the \$100 million level. Connect Oregon also received permanent funding through the auto dealers privilege tax approved in HB 2017.

HB 2017, Transportation Funding Package of the 2017 session:

The 2017 session adopted a historic funding package. The package adopted a multiyear tax increase and is expected to generate \$5.3 Billion in the first 10 years as it progresses to full implementation. Once it is fully implemented, the package is expected to generate about \$700 million a year for transportation programs. The increases in rates and revenue raised varied from the traditional transportation taxes and fees to other innovative variation of highway taxes. New means and sources for raising revenue for other transportation modes beyond highways were also implemented.

The traditional increases included a **total of 10 cents in Gas Tax** and Use Fuel increase, 4 cents in January 2018, moving from 30 to 34. In January 2020, another 2-cent (34 to 36) increase. Another 2-cent increase from 36 to 38 in January 2022. Finally, On January 1st, 2024, 2-cent increase (38 to 40). After the initial increase, all the 2-cent increases are contingent on the OTC reporting (sec 45) of ODOT's compliance with certain specified conditions.

Vehicle Registration Fees surcharge of \$13 was added to the \$43 base fee for passenger vehicles, from 1/1/2018 to 12/1/2019.

Many other fixed fees Such as fixed load, for hire, Antique, special-use, motorcycle, racing and government owned vehicles were also included in the change. (Sections 34-36 of HB 2017)

Then starting on January 1st, 2020, Vehicle registration surcharges are tiered into four categories based on fuel efficiency of each vehicle. The fee is based on the EPA combined rating of MPG.

For vehicles with 0-19 MPG, the surcharge is \$18.

For vehicles with 20-39 MPG, the surcharge is \$23.

For vehicles with over 40 MPG, the surcharge is \$33.

For (EV) electric vehicles, \$110 unless the owner choses to enroll in the OReGO program.

The change in the registration relative to fuel consumption is seen as a road use recovery fee that is aligned to use of the road (responsibility) (sec 32-37).

On January 1st, 2022, the variable MPG fee is increased again corresponding to the following fee schedule.

0-19 MPG, \$20 20-39 MPG, \$25 Over 40 MPG, \$35

Electric vehicles pay \$115 unless the owner choses to enroll in the OReGO program.

Title Fees Surcharge adds a surcharge of \$16, to the base fee of \$77. from 1/1/2018 to 12/1/2019

Then starting on January 1st, 2020, Title fees were changed to also reflect the alignment with (potential) use of the road. The surcharge is changed to tiered fee based on MPG rating.

0-19 MPG, \$21 20-39 MPG, \$26 Over 40 MPG, \$36 Electric vehicles, \$110

The variable MPG Title surcharge is changed again on January 1st, 2022, according to the following fee schedule.

0-19 MPG, \$24 20-39 MPG, \$29 Over 40 MPG, \$39 Electric vehicles, \$115

The Oregon Transportation commission (OTC) is tasked with studies and reports (section 75 of HB 2017) examining the different vehicles contributions to costs imposed on the system. The report is due by September 2023. This will likely be used to calibrate the right level of the MPG tiered fee.

The (HB 2017) package also increases the weight mile and flat (truck) fees by 53.3% in four increments during 2018, 2020, 2022, and 2024. Additionally, overall cost responsibility is maintained at 62.87% for light vehicles and 37.13% for heavy vehicles.

The bill included other changes to the distribution of revenue and other programmatic allocations.

Statewide importance projects (funded off the top of revenue and before local distributions).
30 million a year to the rose quarter for bonding (\$400-\$500 million for the project).
\$10 million/year, increasing to \$15 million by 2022 for Safe Routes to Schools program.

The balance of revenue generated by the new highway fees after the specified programmatic transfers are distributed 50% to the State, 30% to counties, and 20% to the cities.

Small cities program gets an additional \$4 million a year. The current \$1 million program will now receive \$2.5 million contribution from ODOT, and \$2.5 million contribution from the aggregate cities' highway fund portion.

Special County distribution will divide \$5 million a year between counties with less than 200,00 vehicles proportionate to the quotient of lane miles over vehicles. Four small counties will receive \$750,000 between them.

Other distributions from the state share of the revenue are as follows:

- The State revenue share pays the OTIC (Oregon Tourism Council) for servicing Rest Areas specified in sec (125-131).
- Special projects are funded through a \$450 million bond with payments coming from the earlier revenue stream.
- \$10 million a year dedicated to Safety and increasing to \$15 by 2022.
- The remainder of the State revenue stream is to be spent according to the following percentages: 40% bridge, 30% seismic, 24% maintenance and culvert, 6% preservation & safety.

HB 2017 also instituted new taxes dedicated to other transportation modes than highway.

Dealer Privilege Tax: A tax on dealer's sales of new vehicles sold in Oregon at the rate of 0.5% of the vehicle's retail price. Not being a highway fund source, this revenue can be used to achieve other transportation policy endeavors. Dealers have the choice to show it on sales receipt. 1/1/18 The Department of Revenue collects the new tax and deposits proceeds, net of administrative and enforcement expenses, until December 31, 2023, as follows:

\$12 million to the **Zero-Emission Incentive Fund** to provide rebates for the purchase of light-duty zero-emission or plug-in hybrid electric vehicles, and the balance to the **Connect Oregon Fund**.

The January 1, 2024, sunset of that provision specified in HB 2017 has been removed by the 2021 regular session (HB 2065), which made the split of revenue permanent. However, the 2022 session (SB 1558) reconfigured the split of the privilege tax revenue into 45% going to the Zero Emission Incentive Fund, and 55% going to the Connect Oregon Fund with all its sub-distributions. Collections for the privilege tax started at the \$28 million level in 2018 and 2019 and accelerated to \$32.6 million in FY 2021. The tax is expected to generate around \$70 million a biennium for the coming few budget cycles.

Use Tax: Is a tax on vehicles bought outside of Oregon that is equivalent to the Dealer Privilege Tax levied on Oregon sales. This tax revenue is considered a highway Fund source and is directed to the highway fund starting 1/1/18.

Annual collections of the use tax have grown to \$10.5 million in FY 2024 with almost 70% coming from the consumer payments rather than payments furnished by out-of-state dealers.

Payroll Tax: An employee paid payroll tax of 0.1% on wages earned in Oregon after 07/1/18. Revenue from the new payroll tax go to the Statewide Transportation Improvement Fund (STIF): The distributions of the revenue are prescribed by the following formula:

90% to mass transit and transportation districts in proportion to the amount of tax paid, with a minimum of \$100,000.

5% to transportation districts,

4% for intercity public transportation service providers, and

1% for a public transportation technical resource center to assist rural areas.

The payroll tax generated about \$99 million in FY 2019 for the transit programs, However, by the end of FY 2021 the collections reached about \$110 million, \$121 million for FY 2022, and \$127 million in FY2023. The payroll tax collection is expected to be \$136 million annually.

Bicycle Excise tax: a \$15 flat fee imposed at the point of sale on new bicycles that are priced higher than \$200. Net proceeds of the excise tax on bicycles go to Connect Oregon Fund for the purposes of grants for bicycle and pedestrian transportation projects.

The Bicycle tax collections were not strong in the beginning (2018) due to the relative unfamiliarity with the program by retailers but almost reached \$900,000 by FY 2021 and continues at those levels for now.

Other provisions for the Highway Fund

The Oregon Constitution requires all tax revenues levied upon ownership or operation of motor vehicles (except recreational vehicles) be used for road related expenditures. In 1999, the cost responsibility clause was added to require that light and heavy vehicles pay fees in proportion to the costs exacted on the system by each vehicle class. The Highway Cost Allocation Study (HCAS) is performed every two years by the Office of Economic Analysis (OEA) as required by ORS 366.506. It is delivered to the legislative committees dealing with revenue and transportation by the end of January of each odd number year, just before the start of the long session. These studies insure the continuous examination of the cost responsibility of the different vehicle classes in the coming biennium. HB 3406 (2023) changed the requirements to include examination of most recent study period to determine accuracy of published HCAS results, and of prospective study period based on projected data. It also Directs Department of Administrative Services to submit report analyzing at least the three most recent iterations of HCAS to evaluate proportionate share paid by users of each vehicle class.

Net revenues from the dedicated taxes and fees are deposited in the Highway Fund. The Highway Fund is distributed among the state, cities and counties for road construction and maintenance. Moneys are distributed among Oregon counties in proportion to vehicle registrations, while city distributions are in proportion to population. As a result of the three OTIA legislations mentioned above, ODOT will have to track revenues separately before and after each of those legislations.

Also specified in law is that the increases for various registration fees, license, and titles with their heavy vehicle equivalents and other fees need to be tracked before and after HB 2041. The different distribution formulas for the different revenue streams are shown in the table below. The Base includes all revenues from taxes and fees before the increases in HB 2142 and HB 2041.

The distribution for OTIA is any excess of the \$71.2 million that is not required for debt service. In the case of the Bridge Distribution (OTIA III), any revenue not used for debt service goes to the indicated jurisdiction. The 2003 session also allocated a small number of vehicle and driver transaction revenues to be distributed to cities and counties with 60% to 40% split. HB 2001 of the 2009 session is meant to raise \$300 million a year and distributes \$3 million per year to the Travel Information Council, \$24 million per year to ODOT special plan programs. The balance (\$273 million) goes 20% (\$54.6 million) to city streets and 30% (\$81.9 million) to county roads, the remainder 50 percent (\$136.5 million) to state highways. HB 2017 is distributed at 50,30,20 percentages after the deduction for the off the top programs.

EXHIBIT H-1

HIGHWAY FUND DISTRIBUTION

| Recipient | Base | OTIA | Bridge* | Misc. | HB 2001 | HB 2017 |
|---|--------|------|---------|-------|---------|---------|
| State | 60.05% | 50% | 57.53% | 0% | 50% | 50% |
| Counties | 24.38% | 30% | 25.48% | 60% | 30% | 30% |
| Cities | 15.57% | 20% | 16.99% | 40% | 20% | 20% |
| * All revenues go through ODOT for debt service on bonded projects in the indicated Jurisdictions | | | | | | |

Total Transportation Revenue

The table below shows total revenue to the Department of Transportation by selected categories. These include revenue for transit, safety and rail in addition to revenue for highways.

EXHIBIT H-2

| Total Transportation Revenue (millions of dollars) | | | | | | |
|--|--------------|--------------|--------------|--------------|-----------------------|----------------|
| | Actuals | | | | Legislatively Adopted | Agency Request |
| Revenue | 2015-17 | 2017-19 | 19-21 | 21-23 | 23-25 | 25-27 |
| Beginning Balance | 585 | 721 | 773 | 650 | 304 | 563 |
| Revenues | | | | | | |
| Fuel Taxes | 1,078 | 1,218 | 1,222 | 1,334 | 1,368 | 1,368 |
| Weight-Mile Taxes | 591 | 718 | 802 | 892 | 981 | 982 |
| Driver & Vehicle | 723 | 840 | 867 | 1,030 | 1,081 | 1,098 |
| General Fund | 22 | 23 | 64 | 76 | 32 | 53 |
| Federal Funds | 1,075 | 1,191 | 1,037 | 1,475 | 2,685 | 1,669 |
| Lottery | 107 | 113 | 112 | 123 | 135 | 144 |
| Bonds & COP | 981 | 191 | 1,595 | 643 | 327 | 833 |
| All Other | 294 | 417 | 714 | 724 | 721 | 795 |
| Total Revenue | 4,871 | 4,713 | 6,413 | 6,297 | 7,330 | 6,942 |
| Total Resources | 5,456 | 5,434 | 7,186 | 6,947 | 7,634 | 7,505 |

Source: ODOT Program Budget.

The following two pages show gross tax collections from state-imposed highway user fees and the amounts distributed for expenditure on roads by the state, cities, and counties. Page H-7 shows fuel tax rates by state and page H-8 shows a comparison of motor carrier fees and taxes by state for an 80,000-pound vehicle, as well as rates for Diesel tax.

EXHIBIT H-3

FUEL TAX, WEIGHT MILE TAX, AND MOTOR VEHICLE REVENUES

| Fiscal Year | Gross Tax Collections* (millions) | | | | | | | |
|-------------|-----------------------------------|------------|-----------------|------------|------------------------|------------|-------------------|--------|
| | Fuel Tax | | Weight-Mile Tax | | Registration & License | | Total Collections | |
| | Amount | % of Total | Amount | % of Total | Amount | % of Total | Amount | Growth |
| 1971-72 | 78.6 | 58.1% | 30.4 | 22.5% | 26.3 | 19.4% | 135.3 | 12.0% |
| 1972-73 | 83.4 | 58.1% | 34.1 | 23.8% | 26.0 | 18.1% | 143.5 | 6.1% |
| 1973-74 | 80.4 | 52.7% | 36.2 | 23.7% | 36.0 | 23.6% | 152.6 | 6.3% |
| 1974-75 | 82.7 | 54.1% | 37.0 | 24.2% | 33.1 | 21.7% | 152.8 | 0.1% |
| 1975-76 | 86.1 | 54.2% | 39.3 | 24.7% | 33.5 | 21.1% | 158.9 | 4.0% |
| 1976-77 | 90.6 | 52.1% | 43.3 | 24.9% | 40.0 | 23.0% | 173.9 | 9.4% |
| 1977-78 | 95.7 | 51.1% | 50.8 | 27.1% | 40.7 | 21.7% | 187.2 | 7.6% |
| 1978-79 | 99.2 | 49.8% | 56.5 | 28.4% | 43.3 | 21.8% | 199.0 | 6.3% |
| 1979-80 | 92.4 | 46.6% | 60.1 | 30.3% | 45.9 | 23.1% | 198.4 | -0.3% |
| 1980-81 | 88.8 | 44.8% | 58.8 | 29.6% | 50.8 | 25.6% | 198.4 | 0.0% |
| 1981-82 | 90.6 | 45.4% | 60.0 | 30.1% | 48.9 | 24.5% | 199.5 | 0.6% |
| 1982-83 | 96.6 | 45.2% | 65.2 | 30.5% | 51.9 | 24.3% | 213.7 | 7.1% |
| 1983-84 | 104.9 | 44.6% | 76.4 | 32.5% | 54.1 | 23.0% | 235.4 | 10.2% |
| 1984-85 | 118.6 | 45.2% | 89.1 | 34.0% | 54.7 | 20.8% | 262.4 | 11.5% |
| 1985-86 | 132.0 | 45.1% | 105.6 | 36.1% | 55.1 | 18.8% | 292.7 | 11.5% |
| 1986-87 | 151.5 | 46.3% | 116.6 | 35.6% | 59.0 | 18.0% | 327.1 | 11.8% |
| 1987-88 | 168.3 | 46.1% | 135.0 | 37.0% | 61.6 | 16.9% | 364.9 | 11.6% |
| 1988-89 | 200.6 | 48.9% | 139.5 | 34.0% | 69.7 | 17.0% | 409.9 | 12.3% |
| 1989-90 | 231.1 | 49.5% | 155.3 | 33.3% | 80.5 | 17.2% | 467.0 | 13.9% |
| 1990-91 | 257.6 | 51.2% | 161.1 | 32.0% | 84.5 | 16.8% | 503.2 | 7.8% |
| 1991-92 | 290.2 | 52.8% | 173.2 | 31.5% | 86.2 | 15.7% | 549.6 | 9.2% |
| 1992-93 | 302.3 | 52.5% | 179.1 | 31.1% | 94.5 | 16.4% | 575.9 | 4.8% |
| 1993-94 | 345.9 | 54.4% | 191.4 | 30.1% | 98.6 | 15.5% | 635.9 | 10.4% |
| 1994-95 | 357.8 | 54.3% | 201.3 | 30.6% | 99.5 | 15.1% | 658.6 | 3.6% |
| 1995-96 | 368.1 | 54.5% | 203.3 | 30.1% | 104.1 | 15.4% | 675.6 | 2.6% |
| 1996-97 | 370.2 | 53.9% | 206.9 | 30.1% | 109.3 | 15.9% | 686.4 | 1.6% |
| 1997-98 | 375.6 | 53.9% | 209.9 | 30.1% | 111.3 | 16.0% | 696.9 | 1.5% |
| 1998-99 | 387.9 | 54.1% | 215.7 | 30.1% | 113.1 | 15.8% | 716.7 | 2.8% |
| 1999-00 | 386.4 | 53.2% | 225.4 | 31.0% | 114.6 | 15.8% | 726.4 | 1.4% |
| 2000-01 | 386.2 | 54.7% | 202.7 | 28.7% | 117.6 | 16.6% | 706.5 | -2.7% |
| 2001-02 | 388.8 | 53.9% | 187.9 | 26.0% | 144.7 | 20.1% | 721.4 | 2.1% |
| 2002-03 | 387.0 | 52.7% | 192.4 | 26.2% | 154.7 | 21.1% | 734.1 | 1.8% |
| 2003-04 | 394.0 | 49.3% | 210.9 | 26.4% | 193.7 | 24.3% | 798.6 | 8.8% |
| 2004-05 | 388.8 | 44.4% | 237.6 | 27.1% | 249.6 | 28.5% | 876.0 | 9.7% |
| 2005-06 | 401.4 | 44.7% | 243.6 | 27.1% | 252.7 | 28.2% | 897.7 | 2.5% |
| 2006-07 | 398.8 | 44.7% | 242.8 | 27.2% | 250.1 | 28.0% | 891.7 | -0.7% |
| 2007-08 | 395.6 | 44.8% | 243.1 | 27.5% | 244.0 | 27.6% | 882.7 | -1.0% |
| 2008-09 | 382.0 | 46.6% | 215.5 | 26.3% | 222.8 | 27.2% | 820.3 | -7.1% |
| 2009-10 | 389.3 | 43.3% | 209.9 | 23.3% | 300.5 | 33.4% | 899.7 | 9.7% |
| 2010-11 | 432.2 | 42.7% | 245.1 | 24.2% | 334.3 | 33.0% | 1,011.6 | 12.4% |
| 2011-12 | 472.6 | 43.8% | 264.3 | 24.5% | 342.8 | 31.8% | 1,079.7 | 6.7% |
| 2012-13 | 469.9 | 43.0% | 266.6 | 24.4% | 355.9 | 32.6% | 1,092.4 | 1.2% |
| 2013-14 | 476.0 | 42.3% | 282.4 | 25.1% | 367.3 | 32.6% | 1,125.7 | 3.1% |
| 2014-15 | 491.7 | 42.2% | 290.7 | 25.0% | 382.7 | 32.8% | 1,165.1 | 3.5% |
| 2015-16 | 512.5 | 42.4% | 300.2 | 24.9% | 394.8 | 32.7% | 1,207.5 | 3.6% |
| 2016-17 | 524.8 | 42.6% | 304.4 | 24.7% | 402.3 | 32.7% | 1,231.5 | 2.0% |
| 2017-18 | 557.2 | 41.8% | 334.5 | 25.1% | 441.8 | 33.1% | 1,333.5 | 8.3% |
| 2018-19 | 600.2 | 41.2% | 378.3 | 26.0% | 478.1 | 32.8% | 1,456.6 | 9.2% |
| 2019-20 | 567.9 | 40.8% | 397.1 | 28.6% | 425.8 | 30.6% | 1,390.8 | -4.5% |
| 2020-21 | 590.4 | 38.9% | 433.3 | 28.6% | 493.4 | 32.5% | 1,517.2 | 9.1% |
| 2021-22 | 620.9 | 38.3% | 458.3 | 28.2% | 543.7 | 33.5% | 1,622.8 | 7.0% |
| 2022-23 | 637.8 | 39.4% | 459.4 | 28.4% | 523.1 | 32.3% | 1,620.3 | -0.2% |
| 2023-24 | 652.3 | 39.4% | 455.0 | 27.5% | 549.9 | 33.2% | 1,657.3 | 2.3% |

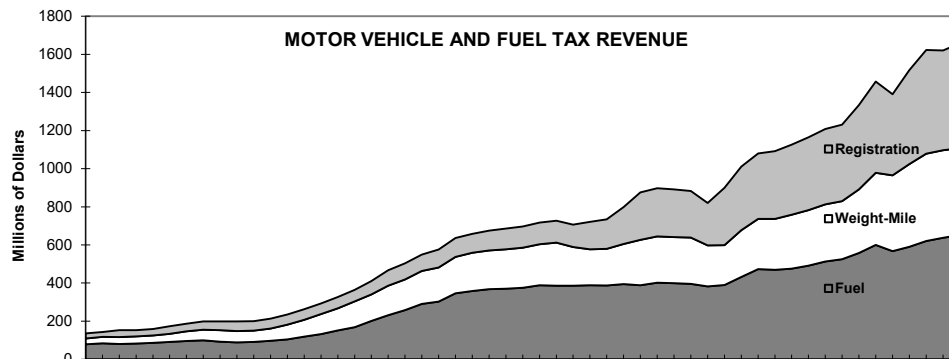
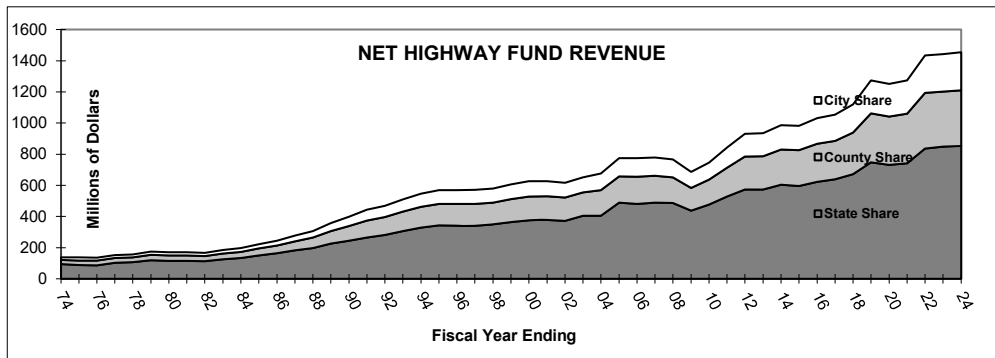


EXHIBIT H-4

NET HIGHWAY FUND REVENUE AND DISTRIBUTIONS (millions)

| Fiscal Year | Total Highway Fund | Less Transfers to | | Net State Revenue | Highway Fund Growth |
|----------------|--------------------------|-------------------|----------|-------------------------|---------------------------|
| | | Cities | Counties | | |
| 1973-74 | 138.0 | 16.3 | 27.1 | 94.6 | 4.2% |
| 1974-75 | 137.6 | 21.1 | 28.9 | 87.6 | -0.3% |
| 1975-76 | 136.2 | 18.6 | 30.8 | 86.8 | -1.0% |
| 1976-77 | 152.5 | 18.4 | 30.5 | 103.6 | 12.0% |
| 1977-78 | 155.5 | 18.4 | 30.6 | 106.5 | 2.0% |
| 1978-79 | 174.7 | 21.1 | 35.1 | 118.5 | 12.3% |
| 1979-80 | 170.8 | 20.7 | 34.1 | 116.0 | -2.2% |
| 1980-81 | 170.3 | 21.0 | 34.6 | 114.7 | -0.3% |
| 1981-82 | 166.7 | 19.9 | 32.9 | 113.9 | -2.1% |
| 1982-83 | 184.0 | 22.4 | 36.9 | 124.7 | 10.4% |
| 1983-84 | 196.6 | 23.4 | 38.9 | 134.3 | 6.8% |
| 1984-85 | 221.9 | 27.0 | 44.3 | 150.6 | 12.9% |
| 1985-86 | 243.8 | 29.9 | 49.2 | 164.7 | 9.9% |
| 1986-87 | 277.4 | 36.3 | 58.4 | 182.7 | 13.8% |
| 1987-88 | 305.6 | 41.3 | 66.6 | 197.7 | 10.2% |
| 1988-89 | 356.6 | 50.0 | 80.0 | 226.6 | 16.7% |
| 1989-90 | 399.1 | 59.8 | 94.4 | 244.9 | 11.9% |
| 1990-91 | 442.9 | 69.0 | 108.1 | 265.8 | 11.0% |
| 1991-92 | 468.8 | 73.1 | 114.5 | 281.2 | 5.8% |
| 1992-93 | 510.2 | 79.4 | 124.4 | 306.4 | 8.8% |
| 1993-94 | 546.9 | 85.1 | 133.3 | 328.5 | 7.2% |
| 1994-95 | 569.5 | 88.2 | 138.3 | 343.0 | 4.1% |
| 1995-96 | 568.8 | 88.3 | 138.5 | 342.0 | -0.1% |
| 1996-97 | 571.0 | 89.6 | 140.6 | 340.8 | 0.4% |
| 1997-98 | 578.7 | 89.6 | 140.6 | 348.5 | 1.4% |
| 1998-99 | 605.3 | 93.7 | 147.1 | 364.5 | 4.6% |
| 1999-00 | 626.1 | 97.0 | 152.2 | 377.0 | 3.4% |
| 2000-01 | 626.4 | 97.0 | 152.2 | 377.2 | 0.0% |
| 2001-02 | 617.4 | 95.3 | 149.2 | 372.9 | -1.4% |
| 2002-03 | 651.7 | 95.9 | 150.2 | 405.6 | 5.5% |
| 2003-04 | 675.9 | 106.2 | 165.5 | 404.2 | 3.7% |
| 2004-05 | 774.9 | 117.8 | 168.5 | 488.6 | 14.6% |
| 2005-06 | 775.4 | 120.4 | 174.0 | 481.0 | 0.1% |
| 2006-07 | 779.8 | 118.8 | 172.3 | 488.7 | 0.6% |
| 2007-08 | 765.5 | 113.5 | 163.9 | 488.1 | -1.8% |
| 2008-09 | 685.5 | 102.0 | 146.7 | 436.9 | -10.5% |
| 2009-10 | 746.9 | 110.4 | 159.2 | 477.2 | 9.0% |
| 2010-11 | 841.6 | 128.1 | 185.5 | 528.0 | 12.7% |
| 2011-12 | 931.6 | 146.4 | 212.7 | 572.4 | 10.7% |
| 2012-13 | 934.5 | 147.5 | 214.6 | 572.5 | 0.3% |
| 2013-14 | 987.0 | 156.0 | 227.8 | 603.2 | 5.6% |
| 2014-15 | 981.8 | 155.8 | 229.4 | 596.6 | -0.5% |
| 2015-16 | 1,030.8 | 164.2 | 243.9 | 622.7 | 5.0% |
| 2016-17 | 1,054.0 | 168.1 | 247.8 | 638.1 | 2.3% |
| 2017-18 | 1,120.4 | 181.3 | 266.6 | 672.5 | 6.3% |
| 2018-19 | 1,273.9 | 211.7 | 313.6 | 748.6 | 13.7% |
| 2019-20 | 1,251.3 | 208.5 | 310.3 | 732.5 | -1.8% |
| 2020-21 | 1,275.1 | 214.6 | 318.8 | 741.7 | 1.9% |
| 2021-22 | 1,435.1 | 242.0 | 357.0 | 836.1 | 12.5% |
| 2022-23 | 1,442.1 | 240.1 | 352.5 | 849.5 | 0.5% |
| 2023-24 | 1,454.31 | 243.40 | 357.19 | 853.7 | 0.8% |



Source: Oregon Department of Transportation

EXHIBIT H-5

Motor Fuel Tax Rates (cents per gallon) January 1, 2023

| State | Gasoline Tax Rates | | | | Diesel Fuel Tax Rates | | | | Gasohol Tax Rates | | | | Add Sales | Other |
|-------------------|--------------------|------------|-------------|----------|-----------------------|------------|-------------|-----------|-------------------|------------|-------------|----------|--------------|-------------------------------------|
| | Excise | Add'l | Total | Rank | Excise | Add'l | Total | Rank | Excise | Add'l | Total | Rank | Tax | |
| Alabama /1/10 | 28.0 | 0.00 | 28.00 | 28 | 29.0 | 0.00 | 29.00 | 26 | 28.0 | 0.00 | 28.00 | 27.0 | | |
| Alaska | 8.0 | 0.95 | 8.95 | 50 | 8.0 | 0.95 | 8.95 | 51 | 8.0 | 0.95 | 8.95 | 50.0 | | Refining Surcharge |
| Arizona | 18.0 | 1.00 | 19.00 | 45 | 26.0 | 1.00 | 27.00 | 34 | 18.0 | 1.00 | 19.00 | 44 | | /8 LUST Tax |
| Arkansas | 21.5 | 3.30 | 24.80 | 33 | 22.5 | 6.30 | 28.80 | 28 | 21.5 | 3.30 | 24.80 | 32 | | Environmental fee, W. Sales Tax |
| California | 53.9 | 9.00 | 62.90 | 1 | 41.0 | 47.00 | 88.00 | 1 | 53.9 | 9.00 | 62.90 | 1 | Y | Includes prepaid sales tax /7 |
| Colorado | 22.0 | 0.00 | 22.00 | 42 | 20.5 | 0.00 | 20.50 | 45 | 22.0 | 0.00 | 22.00 | 41 | | |
| Connecticut /10 | 5.0 | 0.00 | 5.00 | 51 | 49.2 | 0.00 | 49.20 | 6 | 5.0 | 0.00 | 5.00 | 51 | | Plus a 8.1% Petroleum tax (gas) |
| Delaware | 23.0 | 0.00 | 23.00 | 39 | 22.0 | 0.00 | 22.00 | 44 | 23.0 | 0.00 | 23.00 | 38 | | Plus 0.9% GRT |
| Dist. of Columbia | 34.2 | 0.00 | 34.20 | 14 | 34.2 | 0.00 | 34.20 | 17 | 34.2 | 0.00 | 34.20 | 13 | | |
| Florida /2 | 20.2 | 15.03 | 35.23 | 12 | 20.2 | 15.90 | 36.10 | 14 | 19.0 | 14.43 | 33.43 | 14 | Y | Sales tax added to excise /2 |
| Georgia /5/11 | 31.2 | 0.00 | 31.20 | 20 | 35.0 | 0.00 | 35.00 | 15 | 31.2 | 0.00 | 31.20 | 20 | Y | /5 Local sales tax additional |
| Hawaii /1 | 16.0 | 0.00 | 16.00 | 49 | 16.0 | 0.00 | 16.00 | 50 | 16.0 | 0.00 | 16.00 | 48 | Y | Sales tax additional |
| Idaho | 32.0 | 1.00 | 33.00 | 15 | 32.0 | 1.00 | 33.00 | 18 | 32.0 | 1.00 | 33.00 | 15 | | Clean Water Fee |
| Illinois /1/5 | 42.3 | 1.10 | 43.40 | 4 | 48.8 | 1.10 | 49.90 | 4 | 42.3 | 1.10 | 43.40 | 4 | Y | Sales tax add., env. & LUST fee /3 |
| Indiana /5 | 33.0 | 0.00 | 33.00 | 15 | 55.0 | 0.00 | 55.00 | 3 | 33.0 | 0.00 | 33.00 | 15 | Y | Sales tax additional |
| Iowa | 30.0 | 0.00 | 30.00 | 21 | 32.5 | 0.00 | 32.50 | 20 | 30.0 | 0.00 | 30.00 | 21 | | 0 |
| Kansas | 24.0 | 0.03 | 24.03 | 34 | 26.0 | 0.03 | 26.03 | 35 | 24.0 | 0.03 | 24.03 | 33 | | Environmental & Inspection fees |
| Kentucky | 24.6 | 1.40 | 26.00 | 32 | 21.6 | 1.40 | 23.00 | 40 | 24.6 | 1.40 | 26.00 | 31 | | Environmental fee /4 /3 |
| Louisiana | 20.0 | 0.13 | 20.13 | 43 | 20.0 | 0.13 | 20.13 | 46 | 20.0 | 0.13 | 20.13 | 42 | | Inspection fee |
| Maine | 30.0 | 0.00 | 30.00 | 21 | 31.2 | 0.00 | 31.20 | 22 | 30.0 | 0.00 | 30.00 | 21 | | /5 |
| Maryland /5 | 42.7 | 0.00 | 42.70 | 5 | 43.5 | 0.00 | 43.45 | 9 | 42.7 | 0.00 | 42.70 | 5 | | /5 |
| Massachusetts | 24.0 | 0.00 | 24.00 | 35 | 24.0 | 0.00 | 24.00 | 37 | 24.0 | 0.00 | 24.00 | 34 | | |
| Michigan /5 | 28.6 | 0.00 | 28.60 | 26 | 28.6 | 0.00 | 28.60 | 30 | 28.6 | 0.00 | 28.60 | 25 | Y | Sales tax additional |
| Minnesota | 28.5 | 0.10 | 28.60 | 26 | 28.5 | 0.10 | 28.60 | 30 | 28.5 | 0.10 | 28.60 | 25 | | Inspect fee |
| Mississippi | 18.0 | 0.40 | 18.40 | 48 | 18.0 | 0.40 | 18.40 | 49 | 18.0 | 0.40 | 18.40 | 47 | | Environmental fee |
| Missouri /9 | 22.0 | 0.47 | 22.47 | 41 | 22.0 | 0.47 | 22.47 | 43 | 22.0 | 0.47 | 22.47 | 40 | | Inspection & Load fees |
| Montana | 33.0 | 0.00 | 33.00 | 15 | 29.8 | 0.00 | 29.75 | 24 | 33.0 | 0.00 | 33.00 | 15 | | |
| Nebraska | 29.0 | 0.90 | 29.90 | 24 | 29.0 | 0.30 | 29.30 | 25 | 29.0 | 0.90 | 29.90 | 23 | | Petroleum fee /5 |
| Nevada /1 | 23.0 | 0.81 | 23.81 | 38 | 27.0 | 0.75 | 27.75 | 33 | 23.0 | 0.81 | 23.81 | 37 | | Inspection & cleanup fee |
| New Hampshire | 22.2 | 1.63 | 23.83 | 37 | 22.2 | 1.63 | 23.83 | 39 | 22.2 | 1.63 | 23.83 | 36 | | Oil discharge cleanup fee |
| New Jersey | 10.5 | 30.90 | 41.40 | 6 | 13.5 | 34.90 | 48.40 | 7 | 10.5 | 30.90 | 41.40 | 6 | | Petroleum fee |
| New Mexico | 17.0 | 1.88 | 18.88 | 47 | 21.0 | 1.88 | 22.88 | 42 | 17.0 | 1.88 | 18.88 | 46 | | Petroleum loading fee |
| New York | 8.1 | 18.10 | 26.15 | 31 | 8.0 | 16.35 | 24.35 | 36 | 8.1 | 18.10 | 26.15 | 30 | Y | Petroleum Tax, Sales tax additional |
| North Carolina | 40.5 | 0.25 | 40.75 | 7 | 40.5 | 0.25 | 40.75 | 10 | 40.5 | 0.25 | 40.75 | 7 | | /5 Inspection tax |
| North Dakota | 23.0 | 0.00 | 23.00 | 39 | 23.0 | 0.00 | 23.00 | 40 | 23.0 | 0.00 | 23.00 | 38 | | |
| Ohio | 38.5 | 0.00 | 38.50 | 8 | 47.0 | 0.00 | 47.00 | 8 | 38.5 | 0.00 | 38.50 | 8 | | |
| Oklahoma | 19.0 | 0.00 | 19.00 | 45 | 19.0 | 0.00 | 19.00 | 48 | 19.0 | 0.00 | 19.00 | 44 | | Environmental fee |
| Oregon /1 | 38.0 | 0.0 | 38.0 | 9 | 38.0 | 0.0 | 38.0 | 11 | 38.0 | 0.0 | 38.0 | 9 | | |
| Pennsylvania | 57.6 | 0.00 | 57.60 | 2 | 74.1 | 0.00 | 74.10 | 2 | 57.6 | 0.00 | 57.60 | 2 | | Oil franchise tax only /5 |
| Rhode Island /5 | 34.0 | 1.00 | 35.00 | 13 | 34.0 | 1.00 | 35.00 | 15 | 34.0 | 1.00 | 35.00 | 12 | | LUST tax |
| South Carolina | 28.0 | 0.75 | 28.75 | 25 | 28.0 | 0.75 | 28.75 | 29 | 28.0 | 0.75 | 28.75 | 24 | | Inspection fee & LUST tax |
| South Dakota /1 | 28.0 | 2.00 | 30.00 | 21 | 28.0 | 2.00 | 30.00 | 23 | 14.0 | 2.00 | 16.00 | 48 | | Inspection fee (gasohol E10) |
| Tennessee /1 | 26.0 | 1.40 | 27.40 | 30 | 27.0 | 1.40 | 28.40 | 32 | 26.0 | 1.40 | 27.40 | 29 | | Petroleum Tax & Envir. Fee |
| Texas | 20.0 | 0.00 | 20.00 | 44 | 20.0 | 0.00 | 20.00 | 47 | 20.0 | 0.00 | 20.00 | 43 | | |
| Utah | 36.4 | 0.00 | 36.40 | 11 | 36.4 | 0.00 | 36.40 | 13 | 36.4 | 0.00 | 36.40 | 11 | | |
| Vermont /5 | 12.1 | 20.90 | 33.00 | 15 | 28.0 | 4.00 | 32.00 | 21 | 12.1 | 20.09 | 32.19 | 19 | | Cleanup Fee & Trans. Fee |
| Virginia /1 | 28.0 | 0.00 | 28.00 | 28 | 28.9 | 0.00 | 28.90 | 27 | 28.0 | 0.00 | 28.00 | 27 | | /6 |
| Washington /10 | 49.4 | 0.00 | 49.40 | 3 | 49.4 | 0.00 | 49.40 | 5 | 49.4 | 0.00 | 49.40 | 3 | | 0.5% privilege tax |
| West Virginia | 20.5 | 16.70 | 37.20 | 10 | 20.5 | 16.70 | 37.20 | 12 | 20.5 | 16.70 | 37.20 | 10 | Y | Sales tax added to excise |
| Wisconsin | 30.9 | 2.00 | 32.90 | 19 | 30.9 | 2.00 | 32.90 | 19 | 30.9 | 2.00 | 32.90 | 18 | | Petroleum Insp. Fee |
| Wyoming | 23.0 | 1.00 | 24.00 | 35 | 23.0 | 1.00 | 24.00 | 37 | 23.0 | 1.00 | 24.00 | 34 | | License tax |
| Federal | 18.3 | 0.10 | 18.40 | | 24.3 | 0.10 | 24.40 | | 18.3 | 0.10 | 18.40 | | | LUST tax |

SOURCE: Compiled by FTA from various sources. Fee/Taxes column is for comparison purposes and does not include all taxes/fees levied.

/1 Tax rates do not include local option taxes. In AL, 1 - 3 cents; HI, 8.8 to 18.0 cent; IL, 5 cents in Chicago and 6 cents in Cook county

(gasoline only); NV, 4.0 to 9.0 cents; OR, 1 to 5 cents; SD and TN, one cent; and VA 2.1%.

/2 Local taxes for gasoline and gasohol vary from 0 cents to 6.0 cents. Includes Inspection Fee, SCETS, & Statewide Local Tax.

/3 Carriers pay an additional surcharge equal to IL-14.9 cents, KY-2% (g) 4.7% (d).

/4 Tax rate is based on the average wholesale price and is adjusted annually. The actual rates are: KY, 9%; and UT, 16.5%.

/5 Portion of the rate is adjustable based on maintenance costs, sales volume, cost of fuel to state government, or inflation.

/6 Large trucks pay an additional (d) 3.5 cents (g) 12.6 cents. Actual rates (g) 5.1%, (d) 6%.

/7 California Gasoline subject to 2.25% sales tax. Diesel subject to a 13% sales tax.

/8 Diesel rate specified is the fuel use tax rate on large trucks. Small vehicles are subject to 18 cent tax rate.

/9 On July 1, 2020, SC tax will increase to 24 cents. On October 1, 2020, AL tax will increase to 26 cents (g) and 27 cents (d).

/10 Connecticut suspended gas tax rate through 12/31/22, tax rate increase 5 cents each month until it reaches 25 cents per gallon in May.

/11 Georgia suspended fuel tax through January 10, 2023.

EXHIBIT H-6

2024
State Motor Carrier Registration Fees
80,000 Pound Vehicle (GVW) w/trailer

| State | Dollars per Vehicle | State Ranking |
|----------------|---------------------|---------------|
| Alabama | \$835 | 46 |
| Alaska | \$513 | 48 |
| Arizona | \$4,069 | 1 |
| Arkansas | \$1,573 | 27 |
| California | \$3,049 | 6 |
| Colorado | \$3,032 | 7 |
| Connecticut | \$1,601 | 26 |
| Delaware | \$1,390 | 32 |
| Florida | \$1,369 | 34 |
| Georgia | \$1,005 | 42 |
| Hawaii | \$3,155 | 5 |
| Idaho | \$3,396 | 3 |
| Illinois | \$2,911 | 9 |
| Indiana | \$2,341 | 14 |
| Iowa | \$1,725 | 23 |
| Kansas | \$2,318 | 15 |
| Kentucky | \$1,430 | 30 |
| Louisiana | \$511 | 49 |
| Maine | \$1,385 | 33 |
| Maryland | \$1,858 | 20 |
| Massachusetts | \$1,660 | 24 |
| Michigan | \$2,022 | 19 |
| Minnesota | \$1,760 | 21 |
| Mississippi | \$3,318 | 4 |
| Missouri | \$1,755 | 22 |
| Montana | \$983 | 44 |
| Nebraska | \$1,346 | 35 |
| Nevada | \$2,061 | 18 |
| New Hampshire | \$800 | 47 |
| New Jersey | \$1,244 | 37 |
| New Mexico | \$205 | 50 |
| New York | \$1,223 | 38 |
| North Carolina | \$2,229 | 16 |
| North Dakota | \$1,079 | 39 |
| Ohio | \$1,469 | 28 |
| Oklahoma | \$1,059 | 41 |
| Oregon | \$999 | 43 |
| Pennsylvania | \$2,807 | 11 |
| Rhode Island | \$1,061 | 40 |
| South Carolina | \$3,943 | 2 |
| South Dakota | \$1,458 | 29 |
| Tennessee | \$1,391 | 31 |
| Texas | \$896 | 45 |
| Utah | \$1,340 | 36 |
| Vermont | \$2,859 | 10 |
| Virginia | \$2,458 | 13 |
| Washington | \$2,125 | 17 |
| West Virginia | \$2,948 | 8 |
| Wisconsin | \$2,583 | 12 |
| Wyoming | \$1,603 | 25 |

2024
Weight-Mile Tax Rates
(per mile) 80,000 lbs.

| State | Tax Rate | State Ranking |
|----------------|-----------------|---------------|
| Connecticut | \$0.1750 | 2 |
| Kentucky | \$0.0285 | 5 |
| New Mexico | \$0.0438 | 4 |
| New York | \$0.0546 | 3 |
| Oregon* | \$0.2512 | 1 |

* Oregon does not levy a diesel tax on heavy trucks subject to the weight-mile tax.

2024
State Diesel Tax Rates
(per gallon)

| State | Tax Rate | State Ranking |
|----------------|----------------|---------------|
| Alabama | \$0.320 | 23 |
| Alaska | \$0.090 | 50 |
| Arizona | \$0.190 | 47 |
| Arkansas | \$0.288 | 29 |
| California | \$0.921 | 1 |
| Colorado | \$0.307 | 25 |
| Connecticut | \$0.492 | 8 |
| Delaware | \$0.220 | 43 |
| Florida | \$0.395 | 14 |
| Georgia | \$0.370 | 17 |
| Hawaii | \$0.185 | 48 |
| Idaho | \$0.330 | 19 |
| Illinois | \$0.746 | 2 |
| Indiana | \$0.600 | 4 |
| Iowa | \$0.325 | 22 |
| Kansas | \$0.270 | 36 |
| Kentucky | \$0.248 | 37 |
| Louisiana | \$0.209 | 44 |
| Maine | \$0.319 | 24 |
| Maryland | \$0.470 | 9 |
| Massachusetts | \$0.274 | 35 |
| Michigan | \$0.514 | 6 |
| Minnesota | \$0.288 | 29 |
| Mississippi | \$0.184 | 49 |
| Missouri | \$0.275 | 34 |
| Montana | \$0.305 | 26 |
| Nebraska | \$0.299 | 28 |
| Nevada | \$0.278 | 33 |
| New Hampshire | \$0.238 | 40 |
| New Jersey | \$0.494 | 7 |
| New Mexico | \$0.229 | 42 |
| New York | \$0.239 | 39 |
| North Carolina | \$0.407 | 12 |
| North Dakota | \$0.230 | 41 |
| Ohio | \$0.470 | 10 |
| Oklahoma | \$0.200 | 45 |
| Oregon | \$0.400 | 13 |
| Pennsylvania | \$0.741 | 3 |
| Rhode Island | \$0.381 | 15 |
| South Carolina | \$0.288 | 31 |
| South Dakota | \$0.300 | 27 |
| Tennessee | \$0.284 | 32 |
| Texas | \$0.200 | 45 |
| Utah | \$0.372 | 16 |
| Vermont | \$0.330 | 19 |
| Virginia | \$0.415 | 11 |
| Washington | \$0.528 | 5 |
| West Virginia | \$0.357 | 18 |
| Wisconsin | \$0.329 | 21 |
| Wyoming | \$0.240 | 38 |

Source: International Registration Plan, Inc., Information Exchange internet site and Individual state internet sites

Note: Based on intrastate for-hire carrier registering 2011 model year 5-axle (3-S2) tractor-semitrailer combination with GVW of 80,000 lbs.

SECTION I - TIMBER TAXATION

Current Law

As of July 1, 2004, all timber harvest is subject to the Forest Products Harvest Tax (FPHT) and all private forestland is assessed property tax under the Oregon Forestland program specially assessed based by the Department of Revenue (DOR) based on soil type. Certain forestland landowners may also apply to participate in the Small Tract Forestland (STF) program.

The FPHT applies to harvests of merchantable timber from both publicly and privately-owned forestland. The tax is levied per 1,000 board feet of timber harvested and actually consists of six separate taxes with distinct uses. Three of these tax rates are established each biennium by statute, during the odd-year legislative sessions. Exhibit I-1 shows these tax rates from 2006 through 2025.

Exhibit I-1

| FOREST PRODUCTS HARVEST TAX Per 1,000 Board Feet | | | | | | | |
|---|--------------|--------------------------------|------------------|--------|-------------------------------|------------------------------|----------|
| Year | OSU Research | Forest Land Protection Fund | Forest Practices | OFRI | OSU Education ¹ | Conservation & Recreation | Total |
| 2006 | \$0.67 | \$0.50 | \$0.55 | \$0.89 | | | \$2.6100 |
| 2007 | \$0.67 | \$0.50 | \$0.55 | \$0.89 | | | \$2.6100 |
| 2008 | \$0.92 | \$0.625 | \$1.1456 | \$0.89 | | | \$3.5806 |
| 2009 | \$0.92 | \$0.625 | \$1.1456 | \$0.89 | | | \$3.5806 |
| 2010 | \$0.92 | \$0.625 | \$1.1400 | \$0.89 | | | \$3.5750 |
| 2011 | \$0.92 | \$0.625 | \$1.1400 | \$0.89 | | | \$3.5750 |
| 2012 | \$0.8739 | \$0.625 | \$1.2952 | \$0.89 | | | \$3.6841 |
| 2013 | \$0.8739 | \$0.625 | \$1.2952 | \$0.89 | | | \$3.6841 |
| 2014 | \$0.8439 | \$0.625 | \$0.9727 | \$0.99 | \$0.10 | | \$3.5316 |
| 2015 | \$0.8439 | \$0.625 | \$0.9727 | \$0.99 | \$0.10 | | \$3.5316 |
| 2016 | \$0.9000 | \$0.625 | \$1.1037 | \$1.00 | \$0.10 | | \$3.7287 |
| 2017 | \$0.9000 | \$0.625 | \$1.1037 | \$1.02 | \$0.10 | | \$3.7487 |
| 2018 | \$0.9000 | \$0.625 | \$1.5661 | \$1.04 | \$0.10 | | \$4.2311 |
| 2019 | \$0.9000 | \$0.625 | \$1.5661 | \$1.09 | \$0.10 | | \$4.2811 |
| 2020 | \$0.9000 | \$0.625 | \$1.3872 | \$1.12 | \$0.10 | | \$4.1322 |
| 2021 | \$0.9000 | \$0.625 | \$1.3872 | \$1.12 | \$0.10 | | \$4.1322 |
| 2022 | \$0.9000 | \$0.625 | \$2.0702 | \$1.12 | \$0.21 | | \$4.9252 |
| 2023 | \$0.9000 | \$0.625 | \$2.0702 | \$1.12 | \$0.21 | \$1.0461 | \$5.9713 |
| 2024 | \$0.9000 | \$0.625 | \$2.5346 | \$1.12 | \$0.21 | \$0.5681 | \$5.9577 |
| 2025 | \$0.9000 | \$0.625 | \$2.5346 | | \$0.21 | | |

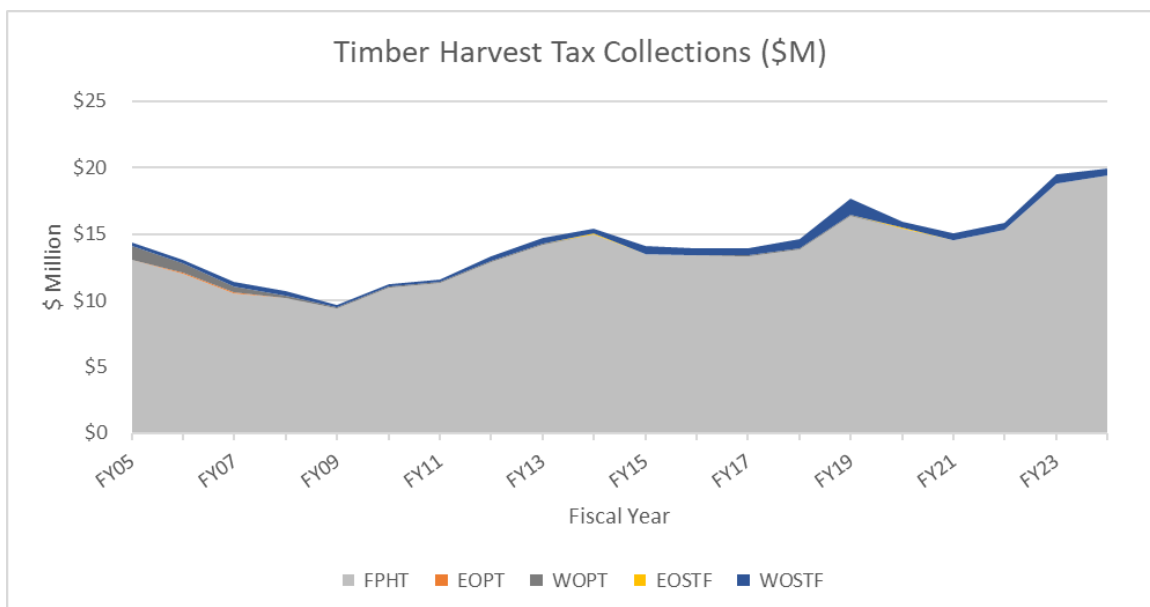
Each tax rate funds different forestry related activities. Exhibit I-2 shows the annual collections for fiscal years 2004-05 through 2023-24. The privilege taxes were phased out by 2003. Exhibit I-3 is simply a chart of the data provided in Exhibit I-2, for fiscal years 1995 through 2023. The only harvest taxes imposed in addition to the FPHT are the eastern and western severance taxes, which are part of the Small Tract Forestland (STF) program. This program was created by the 2003 Legislature and is discussed next.

Exhibit I-2

| Tax Collections (\$ Dollars) | | | | | | |
|------------------------------|---|------------------------------|------------------------------|------------------------------|------------------------------|-------------|
| | Forest Products Harvest Privilege Tax | East Oregon Privilege Tax | West Oregon Privilege Tax | East Oregon Severance Tax | West Oregon Severance Tax | |
| YEAR | FPHT | EOPT | WOPT | EOSTF | WOSTF | Total STF |
| 2004-2005 | \$13,019,169 | \$38,507 | \$1,006,947 | \$13,178 | \$285,779 | \$298,957 |
| 2005-2006 | \$12,017,001 | \$33,162 | \$707,737 | \$14,264 | \$304,204 | \$318,468 |
| 2006-2007 | \$10,526,389 | \$82,187 | \$440,642 | \$26,388 | \$346,104 | \$372,492 |
| 2007-2008 | \$10,180,877 | \$6,572 | \$187,253 | \$9,963 | \$302,825 | \$312,788 |
| 2008-2009* | \$9,397,715 | \$2,549 | \$61,116 | \$6,528 | \$171,654 | \$178,182 |
| 2009-2010 | \$10,960,968 | \$4,783 | \$57,394 | \$16,900 | \$136,057 | \$152,957 |
| 2010-2011 | \$11,326,155 | \$820 | \$41,525 | \$4,034 | \$206,308 | \$210,341 |
| 2011-2012 | \$12,900,547 | \$1,339 | \$33,752 | \$6,934 | \$338,092 | \$345,026 |
| 2012-2013 | \$14,148,783 | \$222 | \$137,829 | \$5,816 | \$387,981 | \$393,797 |
| 2013-2014 | \$14,922,588 | \$17 | \$79,265 | \$5,440 | \$418,020 | \$423,460 |
| 2014-2015 | \$13,481,715 | \$3 | \$22,794 | \$7,456 | \$577,647 | \$585,103 |
| 2015-2016 | \$13,357,996 | \$189 | \$62,730 | \$11,583 | \$484,454 | \$496,037 |
| 2016-2017 | \$13,282,418 | \$104 | \$86,654 | \$18,646 | \$512,075 | \$530,721 |
| 2017-2018 | \$13,792,433 | \$254 | \$127,557 | \$17,404 | \$648,998 | \$666,403 |
| 2018-2019 | \$16,371,271 | \$1,571 | \$42,683 | \$56,503 | \$1,183,864 | \$1,240,368 |
| 2019-2020 | \$15,436,287 | \$22 | \$681 | \$7,342 | \$515,554 | \$522,896 |
| 2020-2021 | \$14,536,165 | \$740 | \$14 | \$1,070 | \$514,196 | \$515,266 |
| 2021-2022 | \$15,311,697 | \$507 | \$5 | \$5,907 | \$505,130 | \$511,037 |
| 2022-2023 | \$18,779,663 | \$0 | \$0 | \$8,056 | \$699,051 | \$707,107 |
| 2023-2024 | \$19,361,416 | \$0 | \$0 | \$40,018 | \$536,761 | \$576,778 |

FPHT= FOREST PRODUCTS HARVEST TAX - ORS 321.005 to 321.185
 EOPT= EASTERN OREGON PRIVILEGE TAX - sunset (current collections on prior assessments)
 WOPT= WESTERN OREGON PRIVILEGE TAX - sunset (current collections on prior assessments)
 EOSTF= EASTERN OREGON SMALL TRACT FORESTLAND PROGRAM SEVERANCE TAX - ORS 321.700 to 321.754
 WOSTF= WESTERN OREGON SMALL TRACT FORESTLAND PROGRAM SEVERANCE TAX- ORS 321.700 to 321.754

Exhibit I-3



For participants in the STF program, forestland has an assessed value equal to 20% of the specially assessed forestland values determined by the DOR (as directed by law). Small tract owners pay a severance tax upon harvest. The severance tax applies to the net volume of logs from harvested timber. The severance tax rates for calendar year 2023 were \$6.70 (Western Oregon) and \$5.20 (Eastern Oregon) per 1,000 board feet harvested. Preliminary tax rates for 2024 are \$6.90 (Western) and \$5.35 (Eastern). These rates are indexed annually in proportion to the increase in value of forestland in the Program in each area.

For a parcel of forestland to qualify for the STF program, it must be held in common ownership of at least 10 acres but less than 5,000 acres of Oregon forestland and meet minimum stocking and species requirements. The owner must apply to the relevant county assessor(s) and the application must include all forestland owned in contiguous parcels. Assessors must disqualify forestland from the STF program if it fails to meet minimum stocking and species requirements or becomes part of an ownership of less than 10 acres or more than 5,000 acres. Disqualification from the program is subject to additional taxes equal to the tax on the 80% of value while in the program to a maximum of 10 years.

The values per acre shown in the table below are the maximum assessed values for forest land in the Oregon Forestland program (OFP) and the value limits for forest land in the Small Tract Forestland program (STF).

Exhibit I-4

OREGON FORESTLAND VALUES

FOR

JULY 1, 2024 — JUNE 30, 2025

Western Oregon

| Forestland Class | Forestland Program | | Small Tract Forestland Program | |
|------------------|--------------------|------------|--------------------------------|----------|
| | MSAV | SAV | 20% MSAV | 20% SAV |
| FA | \$837.02 | \$1,566.22 | \$166.02 | \$313.24 |
| FB | \$664.01 | \$1,240.30 | \$131.75 | \$248.06 |
| FC | \$556.10 | \$1,041.12 | \$110.04 | \$208.22 |
| FD | \$472.37 | \$887.22 | \$93.79 | \$177.44 |
| FE | \$314.25 | \$588.46 | \$61.30 | \$117.69 |
| FF | \$226.81 | \$425.50 | \$45.02 | \$85.10 |
| FG | \$94.76 | \$181.06 | \$17.91 | \$36.21 |
| FX | \$11.05 | \$18.10 | \$1.68 | \$3.62 |

Eastern Oregon

| Forestland Class | Forestland Program | | Small Tract Forestland Program | |
|------------------|--------------------|----------|--------------------------------|---------|
| | MSAV | SAV | 20% MSAV | 20% SAV |
| Eastern Oregon | \$94.76 | \$184.22 | \$17.91 | \$36.84 |

MSAV: Maximum Specially Assessed Value (Measure 50)

SAV: Specially Assessed Value (ORS 321.207)
 20% MSAV: 20% Maximum Specially Assessed Value for qualified Small Tract Forestland Program properties (Measure 50)
 20% SAV: 20% Specially Assessed Value for qualified Small Tract Forestland Program properties (ORS 321.722)

The severance taxes under the STF program are deposited to the appropriate Eastern or Western Oregon Timber Severance Tax Fund. After payment of administrative expenses, the balance in each fund is distributed to the State School Fund (60.5%), the Community College Support Fund (4.5%) on May 1st of each year, and to the counties in either eastern or western Oregon (35%) on August 15th following the end of the fiscal year.

Local Revenues from Federally Owned Forest Lands

Notwithstanding the importance of the Forest Products Harvest Tax and Severance Tax revenues to the state and to local taxing districts, among certain counties primarily located in southwest Oregon, federally owned forestlands are a critical revenue source. Under federal law, harvested timber from federally owned lands must be shared with the state and counties in which the federally owned forestlands are located. On October 30, 2000, Congress passed Public Law 106-393 (the Secure Rural Schools and Community Self-Determination Act of 2000, commonly known as "Payments to States") in order to offset the effect of decreased revenues available to counties from declining timber harvests on federal lands. In FY 2010-11, estimated federal forest payments totaled \$116 million. The act was reauthorized for FY 2013 for 1 year at a rate of 95 percent of the FY 2012 amount. Oregon received \$96.8 million in FY 2014 from the SRS funds as well as BLM payments to counties for harvest on the Oregon and California Railroad lands and the Coos Bay Wagon Road Lands. In FY 2015, these payments were \$89.4 million. O&C funds to the 18 counties were \$24 million in 2016.

Exhibits I5 and I6 provide historical harvest data. The chart in Exhibit I5 clearly shows the decline in harvest on federal land during the first half of the 1990s. From 2013 through 2022 total harvest has averaged 3,860 million board feet (mmbf); ranging from a low of 3,541 mmbf in 2019 to a high of 4,199 mmbf in 2013.

Exhibit I-5

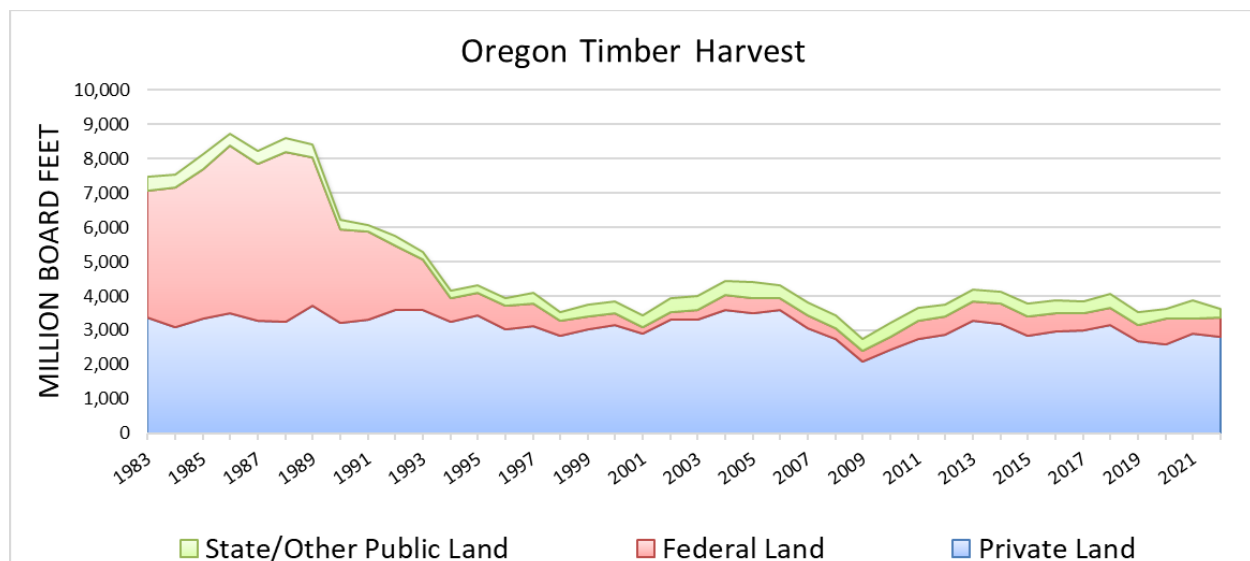


Exhibit I6 provides the numerical harvest data from 1979 through 2022, separated by private, federal, and state/other land.

Exhibit I-6

| OREGON TIMBER HARVEST | | | | | | | | |
|-------------------------------------|--------|----------|--------------|----------|-------------------------|----------|--------|----------|
| Million Board Feet - Scribner Scale | | | | | | | | |
| Private Land | | | Federal Land | | State/Other Public Land | | Total | |
| Year | Volume | % Change | Volume | % Change | Volume | % Change | Volume | % Change |
| 1979 | 3,209 | | 4,123 | | 363 | | 7,695 | |
| 1980 | 3,134 | -2.3% | 3,196 | -22.5% | 309 | -14.9% | 6,639 | -13.7% |
| 1981 | 2,702 | -13.8% | 2,658 | -16.8% | 335 | 8.4% | 5,695 | -14.2% |
| 1982 | 3,440 | 27.3% | 2,000 | -24.8% | 318 | -5.1% | 5,758 | 1.1% |
| 1983 | 3,374 | -1.9% | 3,690 | 84.5% | 400 | 25.8% | 7,464 | 29.6% |
| 1984 | 3,079 | -8.7% | 4,083 | 10.7% | 388 | -3.0% | 7,550 | 1.2% |
| 1985 | 3,332 | 8.2% | 4,372 | 7.1% | 424 | 9.3% | 8,128 | 7.7% |
| 1986 | 3,494 | 4.9% | 4,892 | 11.9% | 357 | -15.8% | 8,743 | 7.6% |
| 1987 | 3,280 | -6.1% | 4,566 | -6.7% | 368 | 3.1% | 8,214 | -6.1% |
| 1988 | 3,259 | -0.6% | 4,926 | 7.9% | 430 | 16.8% | 8,615 | 4.9% |
| 1989 | 3,721 | 14.2% | 4,333 | -12.0% | 366 | -14.9% | 8,420 | -2.3% |
| 1990 | 3,229 | -13.2% | 2,718 | -37.3% | 272 | -25.7% | 6,219 | -26.1% |
| 1991 | 3,312 | 2.6% | 2,554 | -6.0% | 214 | -21.3% | 6,080 | -2.2% |
| 1992 | 3,581 | 8.1% | 1,886 | -26.2% | 275 | 28.5% | 5,742 | -5.6% |
| 1993 | 3,608 | 0.8% | 1,463 | -22.4% | 222 | -19.3% | 5,293 | -7.8% |
| 1994 | 3,244 | -10.1% | 688 | -53.0% | 235 | 5.9% | 4,167 | -21.3% |
| 1995 | 3,432 | 5.8% | 654 | -4.9% | 218 | -7.2% | 4,304 | 3.3% |
| 1996 | 3,018 | -12.1% | 690 | 5.5% | 214 | -1.8% | 3,922 | -8.9% |
| 1997 | 3,133 | 3.8% | 659 | -4.5% | 289 | 35.0% | 4,081 | 4.1% |
| 1998 | 2,840 | -9.4% | 455 | -31.0% | 237 | -18.0% | 3,532 | -13.5% |
| 1999 | 3,014 | 6.1% | 383 | -15.8% | 362 | 52.7% | 3,759 | 6.4% |
| 2000 | 3,167 | 5.1% | 328 | -14.4% | 359 | -0.8% | 3,854 | 2.5% |
| 2001 | 2,905 | -8.3% | 173 | -47.3% | 362 | 0.8% | 3,440 | -10.7% |
| 2002 | 3,319 | 14.3% | 222 | 28.3% | 382 | 5.5% | 3,923 | 14.0% |
| 2003 | 3,313 | -0.2% | 281 | 26.6% | 408 | 6.8% | 4,002 | 2.0% |
| 2004 | 3,606 | 8.8% | 433 | 54.1% | 412 | 1.0% | 4,451 | 11.2% |
| 2005 | 3,495 | -3.1% | 454 | 4.8% | 463 | 12.4% | 4,412 | -0.9% |
| 2006 | 3,596 | 2.9% | 346 | -23.8% | 386 | -16.6% | 4,328 | -1.9% |
| 2007 | 3,070 | -14.6% | 363 | 4.9% | 366 | -5.2% | 3,799 | -12.2% |
| 2008 | 2,740 | -10.7% | 323 | -11.0% | 379 | 3.6% | 3,442 | -9.4% |
| 2009 | 2,079 | -24.1% | 339 | 5.0% | 331 | -12.7% | 2,749 | -20.1% |
| 2010 | 2,432 | 17.0% | 387 | 14.2% | 407 | 23.0% | 3,226 | 17.4% |
| 2011 | 2,733 | 12.4% | 539 | 39.3% | 377 | -7.4% | 3,649 | 13.1% |
| 2012 | 2,873 | 5.1% | 517 | -4.1% | 358 | -5.0% | 3,748 | 2.7% |
| 2013 | 3,274 | 14.0% | 557 | 7.7% | 368 | 2.8% | 4,199 | 12.0% |
| 2014 | 3,183 | -2.8% | 595 | 6.8% | 347 | -5.7% | 4,125 | -1.8% |
| 2015 | 2,846 | -10.6% | 561 | -5.7% | 381 | 9.8% | 3,788 | -8.2% |
| 2016 | 2,967 | 4.3% | 534 | -4.8% | 387 | 1.6% | 3,888 | 2.6% |
| 2017 | 3,001 | 1.1% | 495 | -7.3% | 355 | -8.3% | 3,851 | -1.0% |
| 2018 | 3,148 | 4.9% | 495 | 0.0% | 421 | 18.6% | 4,064 | 5.5% |
| 2019 | 2,671 | -15.2% | 486 | -1.8% | 384 | -8.8% | 3,541 | -12.9% |
| 2020 | 2,596 | -2.8% | 733 | 50.8% | 296 | -22.8% | 3,625 | 2.4% |
| 2021 | 2,898 | 8.5% | 449 | -7.6% | 533 | 38.7% | 3,880 | 9.6% |
| 2022 | 2,824 | 8.8% | 557 | -24.0% | 257 | -13.3% | 3,638 | 0.3% |

SECTION J - ALCOHOL TAXES

Alcohol Revenue

Since the passage of the Liquor Control Act of 1933, Oregon's has developed system which controls and regulates distilled liquor differently from the licensing system of wine, beer and cider.

In 1944 the people of Oregon pass the ballot initiative enacting the "Burke Bill", instituting the Control Model in the State of Oregon, which gave the OLCC exclusive authority to sell alcohol above 14% Alcohol by Volume ("ABV"). In 1952: Oregonians passed Ballot Measure 328-329, amending the Oregon Constitution by adding Article I, Section 39, requiring that the Legislature, and by extension the OLCC, regulate alcohol sold "by the glass", and "carry out the original intent and purpose of the Oregon Liquor Control Act, including the promotion of temperance in the use and consumption of alcoholic beverages, encourage the use and consumption of lighter beverages and aid in the establishment of Oregon industry."

Under Oregon's system, the OLCC controls the importation, distribution and sale of distilled spirits, prescribing how and where distilled spirits can be sold. On the other hand, wine beer, and cider are sold under different rules through a licensing system of private entities. Regulations by Oregon, as well as federal Law are centered on the ingredients and content or Alcohol by Volume (ABV) of beverages. ABV determines where alcoholic beverages can be sold, and who can sell them. Distilled liquor is tightly controlled by the OLCC, while Wine, beer, and cider pass through licensed businesses, but they are widely available in Oregon for both on-premises and off-premises consumption and in grocery stores.

Taxation also follows the two different regimes of regulation. Taxes are imposed on beer and wine manufactured or distributed in Oregon, while hard liquor is priced and marked up by the OLCC before it is sold to consumers.

The current rates are \$2.60 per barrel (8.4¢ per gallon) of beer. The tax on wine is 67¢ per gallon, and 77¢ per gallon for dessert wine (14% to 21% alcohol content). Two cents of the wine tax go to the Wine Board, 50% of the remaining wine and beer taxes go to Mental Health and Drug Abuse Prevention, and the balance goes into the Oregon Liquor and Cannabis Commission (OLCC) Account.

Alcoholic Beverages with 21% or more ABV are exclusively imported and distributed by the state of Oregon. Currently OLCC sets retail prices, on average, at 105% above cost (including shipping, and federal taxes). The net revenue from the liquor operations (after deduction of costs) goes into the OLCC account.

Revenue in the OLCC account is distributed 56% to the state General Fund, 10% to counties by population, 20% to cities by population, and 14% to cities by formula. Alcohol License fees generate about \$21 million a biennium and they are primarily utilized in covering portions of the OLCC operations. A surcharge of 50¢ is a temporary add on for the last four budget periods and generates approximately \$40 million a biennium. Liquor sales experienced robust growth since 2020 (10% on average during the COVID years), however, net liquor revenue in 2022 decreased 3.8% because the liquor store agents and the distillery retail outlets received an increase (from 9.1% to 10.4%) in compensation rate. HB 3308 of 2023 allowing home deliveries is expected to add slightly more than \$5 million annually to liquor revenues.

EXHIBIT J-1**OLCC ALCOHOL REVENUE****(Millions)**

| Fiscal | Beer&Wine Tax | | Liquor | | Net Liquor | |
|----------------|--------------------------|---------------|---------------|---------------|-------------------|---------------|
| Year | Revenue | Change | Sales | Change | Revenue | Change |
| 1991-92 | 10.7 | | 83.3 | | 61.6 | |
| 1992-93 | 11.0 | 2.8% | 85.2 | 2.3% | 62.2 | 1.0% |
| 1993-94 | 10.6 | -3.6% | 89.7 | 5.3% | 65.2 | 4.8% |
| 1994-95 | 10.6 | 0.0% | 90.1 | 0.4% | 65.9 | 1.1% |
| 1995-96 | 11.2 | 5.7% | 93.4 | 3.7% | 67.7 | 2.7% |
| 1996-97 | 11.8 | 5.4% | 97.1 | 4.0% | 70.9 | 4.7% |
| 1997-98 | 12.0 | 1.7% | 102.4 | 5.5% | 73.8 | 4.1% |
| 1998-99 | 12.1 | 0.8% | 107.8 | 5.3% | 76.5 | 3.7% |
| 1999-00 | 12.4 | 2.5% | 116.1 | 7.7% | 84.8 | 10.8% |
| 2000-01 | 12.5 | 0.8% | 121.7 | 4.8% | 85.8 | 1.2% |
| 2001-02 | 12.7 | 1.6% | 127.8 | 5.0% | 93.0 | 8.4% |
| 2002-03 | 13.3 | 4.7% | 134.4 | 5.2% | 97.1 | 4.4% |
| 2003-04 | 13.7 | 2.7% | 145.1 | 7.9% | 107.3 | 10.4% |
| 2004-05 | 14.0 | 2.2% | 155.0 | 6.8% | 111.1 | 3.5% |
| 2005-06 | 14.8 | 6.3% | 172.2 | 11.1% | 126.1 | 13.5% |
| 2006-07 | 15.2 | 2.4% | 187.1 | 8.7% | 130.8 | 3.8% |
| 2007-08 | 16.1 | 5.9% | 199.2 | 6.5% | 141.1 | 7.9% |
| 2008-09 | 16.3 | 1.5% | 207.9 | 4.4% | 151.9 | 7.6% |
| 2009-10 | 16.8 | 2.6% | 215.6 | 3.7% | 159.8 | 5.2% |
| 2010-11 | 16.2 | -3.3% | 224.1 | 4.0% | 162.2 | 1.5% |
| 2011-12 | 16.9 | 4.3% | 238.5 | 6.4% | 180.0 | 11.0% |
| 2012-13 | 16.4 | -3.0% | 254.9 | 6.9% | 189.1 | 5.1% |
| 2013-14 | 17.6 | 7.3% | 264.0 | 3.6% | 196.3 | 3.8% |
| 2014-15 | 17.7 | 0.6% | 278.0 | 5.3% | 207.1 | 5.5% |
| 2015-16 | 18.3 | 3.4% | 292.4 | 5.2% | 215.6 | 4.1% |
| 2016-17 | 18.8 | 2.9% | 301.9 | 3.2% | 218.2 | 1.2% |
| 2017-18 | 18.4 | -2.3% | 319.1 | 5.7% | 234.2 | 7.3% |
| 2018-19 | 19.2 | 4.2% | 336.9 | 5.6% | 247.5 | 5.7% |
| 2019-20 | 18.3 | -4.7% | 371.1 | 10.2% | 271.4 | 9.7% |
| 2020-21 | 17.7 | -3.1% | 403.0 | 8.6% | 294.5 | 8.5% |
| 2021-22 | 21.8 | 23.1% | 413.3 | 2.6% | 283.3 | -3.8% |
| 2022-23 | 17.3 | -20.6% | 426.4 | 3.2% | 303.4 | 7.1% |
| 2023-24 | 20.8 | 20.5% | 414.2 | -2.9% | 280.4 | -7.6% |

EXHIBIT J-2**OLCC REVENUE DISTRIBUTIONS****(Millions)**

| Fiscal | Wine | Mental | General | Counties | Cities |
|----------------|--------------|---------------|----------------|-----------------|---------------|
| Year | Board | Health | Fund | | |
| 1991-92 | 0.10 | 5.20 | 36.30 | 6.50 | 22.00 |
| 1992-93 | 0.20 | 5.40 | 38.00 | 6.80 | 23.10 |
| 1993-94 | 0.1 | 5.2 | 40.6 | 7.1 | 24.1 |
| 1994-95 | 0.1 | 5.2 | 41.3 | 7.4 | 25.1 |
| 1995-96 | 0.2 | 5.5 | 37.3 | 6.7 | 22.7 |
| 1996-97 | 0.2 | 5.8 | 48.9 | 8.7 | 29.7 |
| 1997-98 | 0.2 | 6.0 | 45.3 | 8.1 | 27.5 |
| 1998-99 | 0.2 | 5.9 | 45.7 | 8.2 | 27.7 |
| 1999-00 | 0.2 | 6.0 | 51.4 | 9.2 | 31.2 |
| 2000-01 | 0.2 | 6.2 | 52.5 | 9.4 | 31.9 |
| 2001-02 | 0.2 | 6.3 | 54.8 | 9.8 | 33.2 |
| 2002-03 | 0.2 | 6.6 | 60.1 | 10.2 | 34.7 |
| 2003-04 | 0.2 | 6.7 | 62.9 | 11.2 | 38.2 |
| 2004-05 | 0.2 | 6.9 | 65.6 | 11.6 | 39.6 |
| 2005-06 | 0.2 | 7.3 | 74.0 | 13.2 | 44.9 |
| 2006-07 | 0.2 | 7.5 | 75.1 | 13.4 | 45.6 |
| 2007-08 | 0.3 | 7.9 | 82.7 | 14.8 | 50.2 |
| 2008-09 | 0.3 | 8.0 | 93.9 | 15.9 | 53.9 |
| 2009-10 | 0.3 | 8.3 | 97.3 | 15.0 | 51.1 |
| 2010-11 | 0.3 | 8.0 | 101.3 | 15.6 | 53.2 |
| 2011-12 | 0.3 | 8.3 | 110.2 | 17.1 | 58.2 |
| 2012-13 | 0.3 | 8.1 | 115.4 | 17.9 | 61.0 |
| 2013-14 | 0.3 | 8.6 | 121.4 | 19.0 | 64.5 |
| 2014-15 | 0.3 | 8.7 | 126.0 | 19.7 | 67.0 |
| 2015-16 | 0.3 | 9.0 | 127.4 | 19.9 | 67.6 |
| 2016-17 | 0.3 | 9.3 | 137.0 | 21.5 | 73.0 |
| 2017-18 | 0.3 | 9.0 | 143.9 | 22.6 | 76.8 |
| 2018-19 | 0.3 | 9.4 | 151.9 | 23.9 | 81.2 |
| 2019-20 | 0.3 | 9.0 | 163.2 | 25.8 | 87.6 |
| 2020-21 | 0.3 | 8.7 | 179.7 | 28.6 | 97.4 |
| 2021-22 | 0.4 | 10.7 | 176.7 | 28.1 | 95.5 |
| 2022-23 | 0.3 | 8.4 | 179.3 | 28.6 | 97.1 |
| 2023-24 | 0.3 | 9.7 | 177.2 | 28.5 | 96.9 |

EXCISE TAX RATES AS OF JANUARY 1, 2023

Ranked by Sum of Excise and State Sales Tax (Dollars)

| Rank | Malt Liquor (Beer) per Gallon | | | Table Wine (14% alcohol) per Gallon | | | State Tax Rates On Distilled Spirits | | |
|------|-------------------------------|--------------|--------------|-------------------------------------|-------------|-------------|--------------------------------------|----------|---------|
| | State | Excise | Sales | State | Excise | Sales | State | Excise | Sales |
| 1 | Tennessee | 1.287 | 0.875 | Florida | 2.25 | 2.70 | Alabama | note (1) | Yes |
| 2 | South Carolina | 0.768 | 0.750 | Rhode Island | 1.40 | 3.15 | Alaska | 12.80 | n.a. |
| 3 | Hawaii | 0.930 | 0.500 | Iowa | 1.75 | 2.70 | Arizona | 3.00 | Yes |
| 4 | Mississippi | 0.427 | 0.875 | Tennessee | 1.21 | 3.15 | Arkansas | 2.50 | Yes |
| 5 | Florida | 0.480 | 0.750 | Illinois | 1.39 | 2.81 | California | 3.30 | Yes |
| 6 | North Carolina | 0.617 | 0.594 | New Mexico | 1.70 | 2.25 | Colorado | 2.28 | Yes |
| 7 | Utah | 0.423 | 0.763 | Virginia | 1.51 | 2.39 | Connecticut | 5.94 | Yes |
| 8 | California | 0.200 | 0.906 | New Jersey | 0.88 | 2.98 | Delaware | 4.50 | n.a. |
| 9 | Washington | 0.261 | 0.813 | Washington | 0.87 | 2.93 | Florida | 6.50 | Yes |
| 10 | Alaska | 1.070 | 0.000 | Nevada | 0.70 | 3.08 | Georgia | 3.79 | Yes |
| 11 | Arkansas | 0.234 | 0.813 | West Virginia | 1.00 | 2.70 | Hawaii | 5.98 | Yes |
| 12 | Maine | 0.350 | 0.688 | Arkansas | 0.75 | 2.93 | Idaho | note (1) | Yes |
| 13 | New Mexico | 0.410 | 0.625 | Connecticut | 0.79 | 2.86 | Illinois | 8.55 | Yes |
| 14 | Connecticut | 0.240 | 0.794 | Indiana | 0.47 | 3.15 | Indiana | 2.68 | Yes |
| 15 | Alabama | 0.533 | 0.500 | South Carolina | 0.90 | 2.70 | Iowa | note (1) | Yes |
| 16 | Nevada | 0.160 | 0.856 | Mississippi | 0.35 | 3.15 | Kansas | 2.50 | -- |
| 17 | Vermont | 0.265 | 0.750 | Alabama | 1.70 | 1.80 | Kentucky | 1.92 | Yes |
| 18 | Illinois | 0.231 | 0.781 | California | 0.20 | 3.26 | Louisiana | 3.03 | Yes |
| 19 | Minnesota | 0.148 | 0.859 | Nebraska | 0.95 | 2.48 | Maine | note (1) | Yes |
| 20 | Nebraska | 0.310 | 0.688 | Minnesota | 0.30 | 3.09 | Maryland | 1.50 | Yes |
| 21 | Kansas | 0.180 | 0.813 | Massachusetts | 0.55 | 2.81 | Massachusetts | 4.05 | -- |
| 22 | Indiana | 0.115 | 0.875 | Arizona | 0.84 | 2.52 | Michigan | note (1) | Yes |
| 23 | Rhode Island | 0.106 | 0.875 | Georgia | 1.51 | 1.80 | Minnesota | 5.03 | -- |
| 24 | Texas | 0.194 | 0.781 | Vermont | 0.55 | 2.70 | Mississippi | note (1) | Yes |
| 25 | Oklahoma | 0.403 | 0.563 | Kansas | 0.30 | 2.93 | Missouri | 2.00 | Yes |
| 26 | Louisiana | 0.403 | 0.556 | Michigan | 0.51 | 2.70 | Montana | note (1) | n.a. |
| 27 | Michigan | 0.203 | 0.750 | Kentucky | 0.50 | 2.70 | Nebraska | 3.75 | Yes |
| 28 | New Jersey | 0.120 | 0.828 | Hawaii | 1.38 | 1.80 | Nevada | 3.60 | Yes |
| 29 | Iowa | 0.190 | 0.750 | Idaho | 0.45 | 2.70 | New Hampshire | note (1) | n.a. |
| 30 | West Virginia | 0.177 | 0.750 | North Carolina | 1.00 | 2.14 | New Jersey | 5.50 | Yes |
| 31 | Virginia | 0.256 | 0.663 | Maryland | 0.40 | 2.70 | New Mexico | 6.06 | Yes |
| 32 | Idaho | 0.150 | 0.750 | Maine | 0.60 | 2.48 | New York | 6.44 | Yes |
| 33 | Ohio | 0.180 | 0.719 | Texas | 0.20 | 2.81 | North Carolina | note (1) | Yes (2) |
| 34 | Massachusetts | 0.106 | 0.781 | Dist. of Columbia | 0.30 | 2.70 | North Dakota | 2.50 | -- |
| 35 | Arizona | 0.160 | 0.700 | South Dakota | 0.93 | 2.03 | Ohio | note (1) | Yes |
| 36 | Dist. of Columbia | 0.090 | 0.750 | Ohio | 0.30 | 2.59 | Oklahoma | 5.56 | Yes |
| 37 | Maryland | 0.090 | 0.750 | Louisiana | 0.76 | 2.00 | Oregon | note (1) | n.a. |
| 38 | South Dakota | 0.274 | 0.563 | North Dakota | 0.50 | 2.25 | Pennsylvania | note (1) | Yes |
| 39 | Kentucky | 0.081 | 0.750 | Utah | | 2.75 | Rhode Island | 5.40 | Yes |
| 40 | Pennsylvania | 0.080 | 0.750 | Oklahoma | 0.72 | 2.03 | South Carolina | 2.72 | Yes |
| 41 | Georgia | 0.323 | 0.500 | Pennsylvania | 0.00 | 2.70 | South Dakota | 3.93 | Yes |
| 42 | North Dakota | 0.160 | 0.625 | Wisconsin | 0.25 | 2.25 | Tennessee | 4.40 | Yes |
| 43 | Wisconsin | 0.065 | 0.625 | Alaska | 2.50 | 0.00 | Texas | 2.40 | Yes |
| 44 | New York | 0.140 | 0.500 | Missouri | 0.42 | 1.90 | Utah | note (1) | Yes |
| 45 | Missouri | 0.060 | 0.528 | New York | 0.30 | 1.80 | Vermont | note (1) | no |
| 46 | Wyoming | 0.019 | 0.500 | Alabama | 0.00 | 1.80 | Virginia | note (1) | Yes |
| 47 | Colorado | 0.080 | 0.363 | Delaware | 1.63 | 0.00 | Washington (3) | 14.27 | -- |
| 48 | New Hampshire | 0.300 | 0.000 | Colorado | 0.28 | 1.31 | West Virginia | note (1) | Yes |
| 49 | Delaware | 0.263 | 0.000 | Montana | 1.02 | 0.00 | Wisconsin | 3.25 | Yes |
| 50 | Montana | 0.139 | 0.000 | Oregon | 0.67 | 0.00 | Wyoming | note (1) | Yes |
| 51 | Oregon | 0.084 | 0.000 | New Hampshire | 0.30 | 0.00 | Dist. of Columbia | 1.50 | -- |

Source: Excise tax rates from Federation of Tax Administrators (web).

State Sales Tax from FTA sales tax (no local rates)

Sales tax rates assume \$12.5 per gallon for beer, \$45 a gallon for wine.

n.a. = not applicable. These 5 states do not have a general sales tax.

(1) In 17 states, the government directly controls the sales of distilled spirits.

Revenue in these states is generated from various taxes, fees, price mark-ups, and net liquor profits.

(2) General sales tax applies to on-premise sales only.

(3) Washington privatized liquor sales effective June 1, 2012.

SECTION K - TOBACCO TAXES

Taxes on Cigarettes and Other Tobacco Products

Excise taxes are imposed on distribution of all tobacco products in Oregon. Taxes are levied on each cigarette and as a percent of wholesale price of other tobacco products. As of January 1, 2021, the tax rate on cigarettes is 166.5 mills per cigarette or \$3.33 per pack of 20 cigarettes. The distribution of tax revenue per pack of cigarettes is shown below. Note that the numbers may not sum to \$3.33 due to rounding.

The Other Tobacco Products (OTP) tax is applied slightly differently depending upon the product. Moist snuff is taxed at \$1.86 per ounce with a minimum tax of \$2.24 per retail container.^{1,2} Cigars are taxed at 65% of their wholesale sales price but the tax is capped at \$1.00 per individual cigar. All other tobacco products not taxed as moist snuff or cigars are taxed at 65% of their wholesale sales price. Currently, over 75% of the OTP tax comes from moist snuff and roughly 15% from cigars.

In the November 2020 general election, Oregon passed Measure 108 which created a tax on inhalant delivery systems, including them under the definition of Other Tobacco Products. These products are taxed at 65% of their wholesale price. Taxes from inhalant delivery systems are dedicated to state's medical assistance program including mental health services, and various programs addressing tobacco and nicotine use related health issues.

The following tables show taxes and distributions. Distributions to cities and counties are based on their respective populations.

Statutory Cigarette Tax Distribution

| Statutes and Tax | | Distributions (\$ per pack of 20 cigarettes) | | | | | | |
|------------------|-------------------|--|-------|-------|---------------------|-------|---------------------------|-------------------|
| Statute (ORS) | Tax Per Pack (\$) | General Fund | OHP | TURA | City/County/Transit | OHA | OHA Distribute To Others. | OHA Mental Health |
| 323.030(1) | 0.58 | 0.220 | 0.270 | 0.030 | 0.060 | | | |
| 323.030(4) | 0.15 | | | | | | | 0.150 |
| 323.031(1) | 0.60 | | 0.587 | 0.004 | 0.008 | | | |
| 323.031(2) | 2.00 | | | | | 1.800 | 0.200 | |
| Total | 3.33 | 0.22 | 0.857 | 0.034 | 0.068 | 1.800 | 0.200 | 0.150 |

*TURA is Tobacco Use Reduction Account, OHP is Oregon Health Plan, OHA is Oregon Health Authority

Statutory Inhalant Delivery System and Other Tobacco Products Tax Distribution

| Distributions as Percent of Total Revenue | | | | |
|---|--------|----------------------------------|--------|-------|
| Inhalant Delivery Systems (IDS) | | Other Tobacco Products (non IDS) | | |
| OHA | TURA | General Fund | OHP | TURA |
| 90.00% | 10.00% | 53.84% | 41.54% | 4.62% |

¹ Moist snuff tax rates are indexed for inflation. The rates shown were effective starting July 1, 2024. Rates are indexed to inflation as one quarter of the change in U.S. City Average Consumer Price Index.

The following tables show cigarette and OTP tax revenues and their distributions from Fiscal Years 2015 through 2024.

EXHIBIT K-1

Combined Cigarette and OTP tax distributions

Millions of dollars

| | Tax Collections | | | | Combined Distributions | | | | | |
|---------|-----------------|------|----------|-------|------------------------|-------------|---------------|------------------|------|---------------------|
| | Cigarette | OTP | Inhalant | Total | General Fund | Health Plan | Mental Health | Health Authority | TURA | City/County/Transit |
| 2014-15 | 206.1 | 55.7 | | 261.8 | 67.1 | 160.1 | 15.7 | | 8.2 | 10.8 |
| 2015-16 | 209.9 | 57.5 | | 267.5 | 67.2 | 162.2 | 19.0 | | 8.3 | 10.9 |
| 2016-17 | 209.6 | 58.9 | | 268.5 | 65.6 | 161.4 | 22.3 | | 8.2 | 10.9 |
| 2017-18 | 203.0 | 60.6 | | 263.6 | 66.2 | 156.8 | 22.1 | | 8.1 | 10.5 |
| 2018-19 | 202.0 | 61.3 | | 263.2 | 66.4 | 155.7 | 22.8 | | 8.0 | 10.5 |
| 2019-20 | 187.8 | 59.8 | | 247.7 | 63.3 | 145.9 | 21.2 | | 7.7 | 9.6 |
| 2020-21 | 292.3 | 56.6 | 10.5 | 359.5 | 55.0 | 130.8 | 18.7 | 128.4 | 18.1 | 8.5 |
| 2021-22 | 363.6 | 56.5 | 35.9 | 456.0 | 54.7 | 116.5 | 16.3 | 229.4 | 31.6 | 7.4 |
| 2022-23 | 328.0 | 55.0 | 31.9 | 414.9 | 50.8 | 107.5 | 14.8 | 206.2 | 28.8 | 6.7 |
| 2023-24 | 297.6 | 50.0 | 29.7 | 377.4 | 47.9 | 97.1 | 13.3 | 186.8 | 26.1 | 6.1 |

Data Sources: Oregon Department of Revenue, DAS CFO, OEA Quarterly Economic & Revenue Forecast

Master Settlement Agreement

Additional tobacco revenue is received under the Master Settlement Agreement (MSA). Through calendar year 2023, Oregon has received over \$1.9 billion in total payments. The Department of Administrative Services expects to distribute \$119.7 million for the 2023-25 biennium, allocated to the Oregon Health Authority (\$114.9 million), the Department of Justice (\$1.7 million), and the Department of Education (\$3.1 million). The MSA does not cover OTP such as cigars and moist snuff.

Cigarette Tax Rates as of January 1, 2023 - Rankings by Cigarette Excise Tax

The table in the following page shows cigarette excise tax rates across U.S. states and D.C. The table updates tax rates of those states that implemented new rates on January 1, 2022. Colorado will see two more rounds of increase in 2024 and 2027.

EXHIBIT K-2

STATE EXCISE TAX RATES ON CIGARETTES

(January 1, 2023)

| | Tax Rate (¢ per pack) | Rank | | Tax Rate (¢ per pack) | Rank |
|-------------------|--------------------------|----------|----------------|--------------------------|------|
| Dist. of Columbia | 450 | | Montana | 170 | 27 |
| Connecticut | 435 | 2 | Utah | 170 | 27 |
| New York | 435 | 2 | Ohio | 160 | 29 |
| Rhode Island | 425 | 4 | South Dakota | 153 | 30 |
| Maryland | 375 | 5 | Texas | 141 | 31 |
| Massachusetts | 351 | 6 | Iowa | 136 | 32 |
| Oregon | 333 | 7 | Florida | 133.9 | 33 |
| Hawaii | 320 | 8 | Kansas | 129 | 34 |
| Vermont | 308 | 9 | West Virginia | 120 | 35 |
| Minnesota | 304 | 10 | Arkansas | 115 | 36 |
| Washington | 302.5 | 11 | Kentucky | 110 | 37 |
| Illinois | 298 | 12 | Louisiana | 108 | 38 |
| California | 287 | 13 | Indiana | 99.5 | 39 |
| New Jersey | 270 | 14 | Mississippi | 68 | 40 |
| Pennsylvania | 260 | 15 | Alabama | 67.5 | 41 |
| Wisconsin | 252 | 16 | Nebraska | 64 | 42 |
| Delaware | 210 | 17 | Tennessee | 62 | 43 |
| Oklahoma | 203 | 18 | Virginia | 60 | 44 |
| Alaska | 200 | 19 | Wyoming | 60 | 44 |
| Arizona | 200 | 19 | Idaho | 57 | 46 |
| Maine | 200 | 19 | South Carolina | 57 | 46 |
| Michigan | 200 | 19 | North Carolina | 45 | 48 |
| New Mexico | 200 | 19 | North Dakota | 44 | 49 |
| Colorado | 194 | 24 | Georgia | 37 | 50 |
| Nevada | 180 | 25 | Missouri | 17 | 51 |
| New Hampshire | 178 | 26 | | | |

Sources: Excise tax rates from Federation of Tax Administrators <http://www.taxadmin.org/tax-rates>
Tax Burden on Tobacco, Orzechowski and Walker, state government websites

SECTION L - LOTTERY

History

The Oregon State Lottery and the five-member State Lottery Commission were created by an initiative petition in 1984. Commission members are appointed by the governor and charged to produce the maximum amount of net revenue to benefit the public purposes listed in the Constitution.

The Lottery currently offers nine games through a little over 3,800 retailers, and online sports betting through DraftKings. Adults (age 18 and over) can play traditional lottery games (i.e., Scratch-its, Powerball, etc.). Video Lottery (poker and line games) is played on nearly 11,000 terminals in approximately 2,150 premises that contract with the Lottery. People aged 21 or older can play Video Lottery and participate in sports betting.

The Constitution specifies that at least 84% of the total annual revenues from the sale of all lottery tickets or shares be returned to the public in the form of prizes and net revenues benefiting public purpose. The Constitution originally dedicated net lottery proceeds to creating jobs and furthering economic development. Dedication of net lottery proceeds has been expanded over the past 20 years by several ballot measures and legislation.

Measure 21 in May 1995 expanded the scope of using net proceeds to include financing public education. It also gave lottery bonds first claim on lottery proceeds and dedicated 15% of net proceeds to the Education Endowment Fund.

Measure 66 in November 1998 further expanded the use to include restoring and protecting Oregon's parks, beaches, watersheds, and critical fish and wildlife habitats. It required that 15% of net proceeds be deposited to the Parks and Natural Resources Fund, with 50% dedicated to parks and recreation areas and 50% to fish and wildlife habitats.

Measure 19 in September 2002 transferred \$150 million of the Education Endowment Fund to the State School Fund, converted the fund to an education stability fund. It required 18% of net lottery proceeds be deposited to this fund. If the fund balance reaches 5% of the prior biennium's General Fund revenue, further deposits to the fund stops and 15% of the net proceeds accrue to a school capital matching fund.

The 2005 legislature (HB 3466) repealed lottery games on sporting events starting in July 2007. The same bill also dedicated 1% of lottery proceeds to fund sports programs at Oregon universities.

SB 1049 of the 2019 legislature has brought back sports betting games and dedicated the net proceeds of these games to the Public Employees Retirement System's (PERS) Employer Incentive Fund established by SB 1566 in the 2018 legislature. Sports betting revenue in the Employer Incentive Fund will be used to fund the state's 25% match to a participating employer contribution.

Measure 76 in November 2010 made the 15% dedication to parks and natural resources permanent and allocated a minimum of 12% of the parks and recreation areas portion to local and regional grants.

Measure 96 in November 2016 created the Veterans' Services Fund and dedicated 1.5% of net proceeds to the fund. Measure 99 in the same election required the lesser of 4% of lottery transfers or up to \$22 million per year be allocated to the Outdoor School Education Fund.

Traditional Games

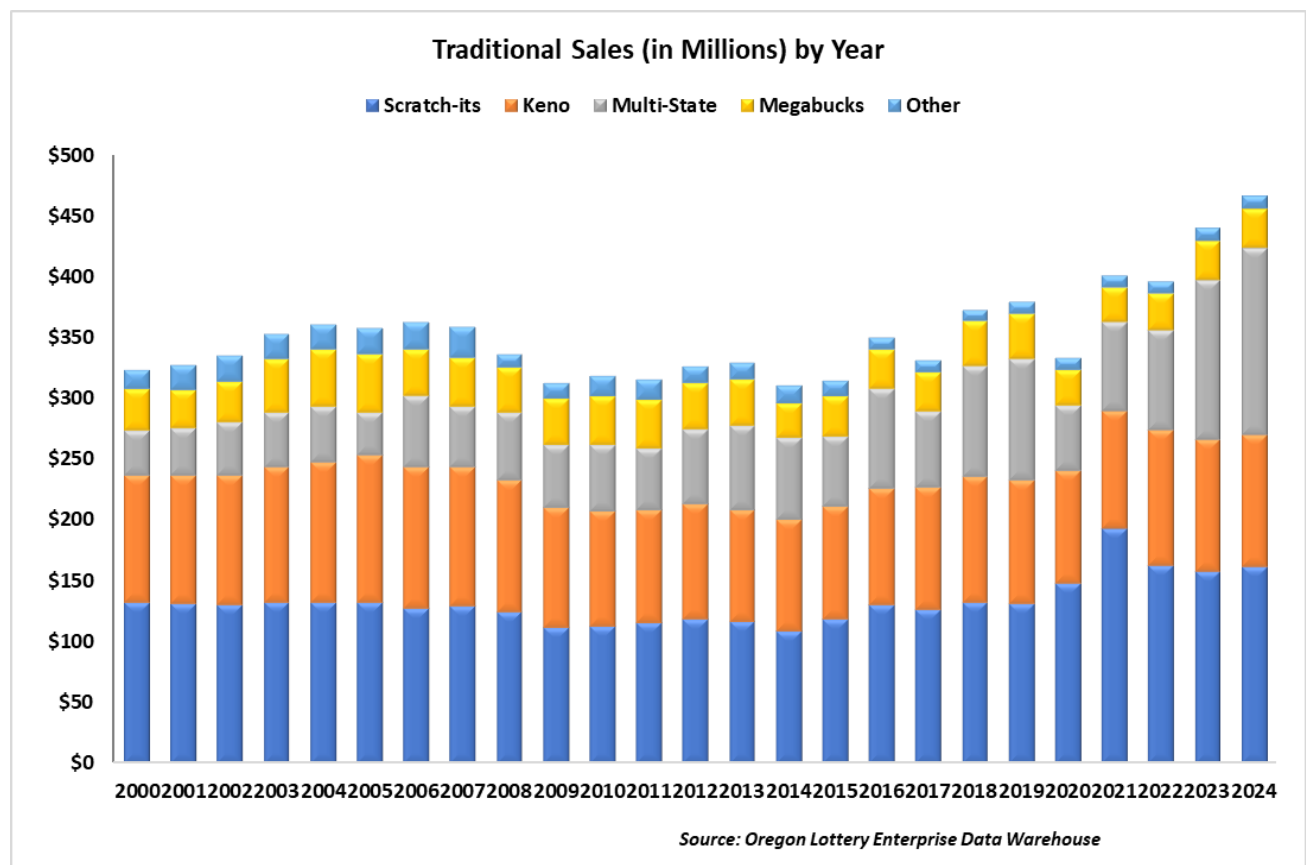
The first Traditional games were instant games (Scratch-its) in 1985. A number of other games followed, some of which have been discontinued or modified. Multi-State includes Powerball and Mega Millions.

Legislation in 1989 initiated Sports Action as an additional lottery game with the proceeds of the game dedicated to intercollegiate athletics in Higher Education. However, 2005 legislation repealed sports games as of July 2007 and the intercollegiate athletic funding was revised to be 1% of total lottery proceeds. This amount has pushed funding of university athletic programs to approximately \$10 million per biennium.

The 2019 legislature has brought back sports betting games and dedicated the net proceeds of these games to the Public Employees Retirement System's (PERS) Employer Incentive Fund established by the 2018 legislature. Sports betting revenue in the Employer Incentive Fund will be used to fund the state's 25% match to a participating employer contribution.

The following exhibit (Exhibit L-1) shows the gross sales by fiscal year for Traditional games since 2001. The "Other" group includes Breakopens, Sports Action, Scoreboard, Raffles, Pick 4, Win for Life, and Lucky Lines.

EXHIBIT L-1



Video Lottery

In addition to Sports Action, legislation in 1989 authorized Video Lottery. However, the Governor suspended its implementation. Two years later, the Legislature reauthorized the commission to offer Video Lottery, beginning with video poker in 1992.

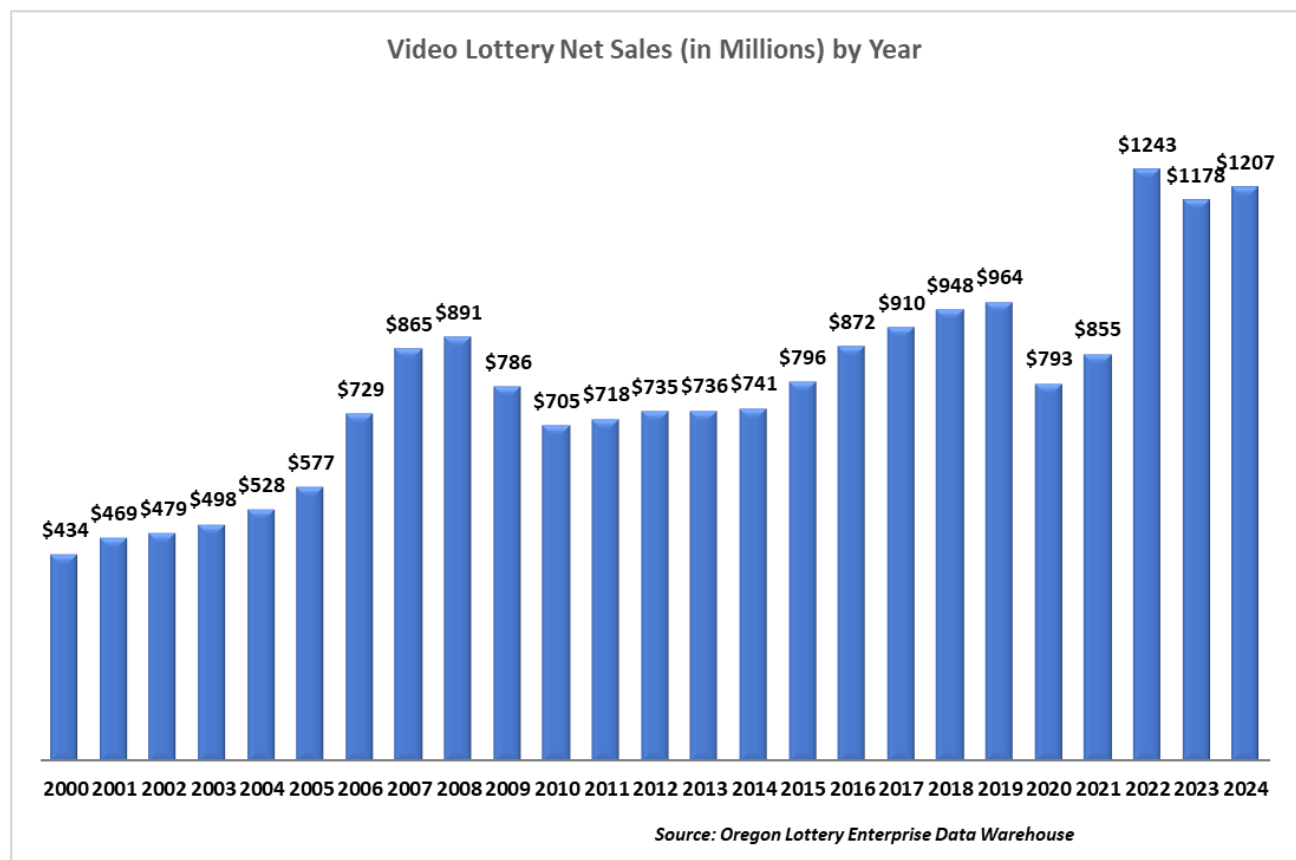
Only retailers that have Oregon Liquor and Cannabis Commission licenses may be given a contract to have up to six (five prior to 2004; ten at Portland Meadows) Video Lottery terminals (VLTs) on supervised premises. Video Lottery games are restricted to persons over the age of 21.

Video Lottery revenue (often called net sales or net receipts) is the sum of the dollars wagered less the sum of the dollars won (i.e., prizes). 2.5% of Video Lottery net receipts are dedicated to counties for economic development.

In May 2005, the Lottery started offering line games (in addition to video poker) and revenue grew substantially. However, the 2008 recession coupled with the smoking ban that started in 2009 reduced revenue by double digits with no sign of recovery until 2014. Video Lottery revenue has since grown steadily year-over-year and is currently reaching over \$1.5 billion dollars each biennium.

The following Exhibit L-2 shows the Video Lottery Sales by fiscal year.

EXHIBIT L-2



Lottery Revenues

Lottery revenues include non-game revenues such as interest earnings, penalties, and allowances for bad debts, in addition to game revenues. The net non-game revenue was \$2.7 million in the fiscal year 2015-16.

The table below (Exhibit L-3) shows the history of Traditional and Video Lottery game revenues for the past 25 years. The introduction of Video Lottery games in 1991-92 quickly enhanced the revenue stream, and during the same period Traditional games also grew to \$78.1 million in 1994-95.

Traditional net revenue averages approximately \$60 million a year and comprises approximately 10% of total revenue, while Video Lottery represents approximately 90% of total revenue.

The introduction of line games in 2005 generated significant growth in total revenue, but its rapid growth stabilized after a couple of years, and was further affected by the economic downturn and smoking ban in 2008-2009 causing net revenue to decline by a combined 20%. However, revenue recovered most of its declines and is forecasted to grow at a sustainable long term average of about 2%. Impact from the Covid-19 pandemic is uncertain. Today, Lottery proceeds surpass \$1.5 billion dollars each biennium.

EXHIBIT L-3

| Fiscal Year | LOTTERY REVENUE (\$ millions) | | | | | | | |
|-------------|-------------------------------|--------|---------|-------------|---------------|----------|---------|-------------|
| | Traditional Games* | | | | Video Games | | | |
| | Gross Revenue | Prizes | Expense | Net Revenue | Gross Revenue | Prizes | Expense | Net Revenue |
| 1990-91 | 147.3 | 79.5 | 24.3 | 43.6 | - | - | - | - |
| 1991-92 | 244.1 | 140.8 | 37.9 | 65.5 | 217.3 | 192.5 | 17.5 | 7.4 |
| 1992-93 | 258.6 | 154.5 | 40.8 | 63.3 | 1,548.4 | 1,376.0 | 84.7 | 87.7 |
| 1993-94 | 288.4 | 171.6 | 45.8 | 71.0 | 2,211.8 | 1,964.8 | 107.6 | 139.4 |
| 1994-95 | 340.9 | 208.2 | 54.7 | 78.1 | 2,983.2 | 2,652.1 | 137.9 | 193.2 |
| 1995-96 | 344.2 | 213.7 | 53.9 | 76.6 | 3,285.1 | 2,929.5 | 149.8 | 205.9 |
| 1996-97 | 333.1 | 207.6 | 52.6 | 72.8 | 3,636.7 | 3,243.5 | 168.7 | 224.5 |
| 1997-98 | 310.4 | 195.1 | 50.6 | 64.8 | 4,245.2 | 3,837.8 | 179.0 | 228.5 |
| 1998-99 | 325.9 | 206.0 | 49.0 | 70.9 | 5,660.1 | 5,257.5 | 172.0 | 230.5 |
| 1999-00 | 323.7 | 210.5 | 56.6 | 56.6 | 6,566.3 | 6,129.8 | 183.4 | 253.2 |
| 2000-01 | 323.3 | 211.9 | 56.8 | 54.5 | 7,293.4 | 6,831.0 | 194.7 | 267.7 |
| 2001-02 | 336.8 | 223.5 | 57.4 | 55.9 | 7,725.0 | 7,244.8 | 199.8 | 280.4 |
| 2002-03 | 354.8 | 235.5 | 60.1 | 59.2 | 8,133.3 | 7,634.6 | 201.8 | 297.0 |
| 2003-04 | 362.3 | 234.9 | 59.5 | 67.9 | 8,587.6 | 8,056.6 | 209.4 | 321.6 |
| 2004-05 | 360.2 | 234.2 | 58.6 | 67.9 | 9,189.0 | 8,609.3 | 206.1 | 373.6 |
| 2005-06 | 363.1 | 239.5 | 58.1 | 66.4 | 10,928.8 | 10,195.9 | 236.0 | 504.4 |
| 2006-07 | 354.6 | 233.6 | 60.1 | 61.0 | 12,093.0 | 11,239.5 | 271.8 | 581.7 |
| 2007-08 | 338.7 | 220.0 | 56.9 | 61.8 | 12,118.4 | 11,223.3 | 289.8 | 605.3 |
| 2008-09 | 313.8 | 205.3 | 55.1 | 53.3 | 10,582.9 | 9,796.2 | 277.0 | 509.8 |
| 2009-10 | 320.7 | 206.0 | 52.9 | 61.8 | 9,402.8 | 8,695.9 | 249.7 | 457.3 |
| 2010-11 | 317.5 | 206.4 | 51.9 | 59.2 | 9,550.5 | 8,830.0 | 254.0 | 466.6 |
| 2011-12 | 323.2 | 221.9 | 50.9 | 50.4 | 9,704.3 | 8,977.2 | 251.9 | 475.2 |
| 2012-13 | 330.5 | 211.4 | 51.0 | 68.0 | 9,915.0 | 9,177.6 | 238.9 | 498.4 |
| 2013-14 | 310.1 | 202.0 | 50.6 | 57.5 | 9,975.3 | 9,232.6 | 245.2 | 497.6 |
| 2014-15 | 318.3 | 206.4 | 51.7 | 60.2 | 10,733.8 | 9,935.2 | 263.4 | 535.2 |
| 2015-16 | 353.0 | 225.6 | 58.7 | 68.7 | 11,503.4 | 10,626.9 | 303.3 | 573.1 |
| 2016-17 | 332.2 | 212.6 | 55.6 | 64.0 | 11,782.7 | 10,868.6 | 312.8 | 601.3 |
| 2017-18 | 368.4 | 227.4 | 61.4 | 79.5 | 11,991.5 | 11,057.5 | 323.2 | 610.8 |
| 2018-19 | 380.1 | 235.0 | 63.5 | 81.6 | 12,615.2 | 11,648.7 | 343.6 | 622.8 |
| 2019-20 | 452.7 | 326.7 | 77.5 | 48.6 | 10,451.4 | 9,653.9 | 295.1 | 502.4 |
| 2020-21 | 722.1 | 546.3 | 99.2 | 76.5 | 11,463.2 | 10,602.8 | 306.1 | 554.2 |
| 2021-22 | 796.9 | 621.4 | 81.3 | 94.2 | 16,619.1 | 15,373.0 | 363.4 | 882.7 |
| 2022-23 | 1,006.1 | 781.0 | 109.5 | 115.6 | 16,099.5 | 14,917.7 | 383.1 | 798.6 |
| 2023-24 | 1,231.4 | 978.3 | 126.3 | 126.7 | 16,119.8 | 14,929.3 | 401.5 | 789.1 |

*Includes Sports wagering

Source: Oregon Lottery

Lottery Transfers and Distributions

Fiscal year revenues don't align precisely with transfers for a variety of reasons. For example, there is a one-quarter lag in transfers, and there are also revenues transferred (such as unclaimed prizes and administrative savings) which are not considered in determining total Lottery revenue. Transfers may also differ from revenues because of the amounts moved in or out of various contingency reserves.

The table in the following page (Exhibit L-4) shows the amounts expected to be transferred in 2023-25 according to the December 2024 Oregon Economic and Revenue Forecast. The purpose of presenting this table is to show details of voter approved constitutional distributions, statutory distributions and other mandatory and discretionary distributions. Two voter-approved distributions have been added in November 2016.

Debt service on lottery revenue bonds has first claim on lottery revenue transferred to the Economic Development Fund. Thereafter, the constitutional dedications for the Education Stability Fund (18% of net proceeds), the Parks and Natural Resources Fund (15% of net proceeds), the Veterans' Services Fund (1.5% of net proceeds), and the Outdoor School Education Fund (lesser of 4% of lottery transfers or \$22 million a year) follow.

After those distributions comes the statutory dedication to county economic development (2.5% of video lottery net receipts), the Higher Education Coordinating Commission (1% of lottery transfers), the Gambling Addiction Fund (1% of lottery transfers), and the County Fair Account.

Any balance available after these transfers will be used by the legislature in any of the areas allowed by the constitution. Amounts available for legislative allocation do not include beginning balances, reversions, or interest earned on the Economic Development Fund.

EXHIBIT L-4

Summary of Lottery Resources

| | 2023-25 |
|--|-----------------------------|
| (in millions of dollars) | Current Forecast |
| LOTTERY EARNINGS | |
| Traditional Lottery | 216.171 |
| Video Lottery | 1,559.982 |
| Sports Betting ¹ | 60.529 |
| Administrative Actions | 42.882 |
| Total Available to Transfer | 1,879.565 |
| ECONOMIC DEVELOPMENT FUND | |
| Beginning Balance | 84.396 |
| Transfers from Lottery | 1,879.565 |
| Other Resources ² | 7.685 |
| Total Available Resources | 1,971.647 |
| ALLOCATION OF RESOURCES | |
| Constitutional Distributions | |
| Education Stability Fund ³ | 334.248 |
| Oregon Capital Matching Fund ³ | 0.000 |
| Parks and Natural Resources Fund ⁴ | 281.935 |
| Veterans' Services Fund ⁵ | 28.193 |
| Other Distributions | |
| Outdoor School Education Fund ⁶ | 36.406 |
| County Economic Development | 59.982 |
| HECC Collegiate Athletic & Scholarships ⁷ | 18.330 |
| Gambling Addiction ⁷ | 18.473 |
| County Fairs | 3.828 |
| Other Legislatively Adopted Allocations ⁸ | 1,094.384 |
| Employer Incentive Fund (PERS) ¹ | 28.186 |
| Total Distributions | 1,903.966 |
| Ending Balance/Discretionary Resources | 67.680 |

Note: Some totals may not foot due to rounding.

1. Sports Betting revenues are transferred to Economic Development Fund making them subject to the constitutional distributions, after which the remainder is transferred to the Employer Incentive Fund

2. Includes reversions (unspent allocations from previous biennium) and interest earnings on Economic Development Fund.

3. Eighteen percent of proceeds accrue to the Ed. Stability Fund, until the balance equals 5% of GF Revenues. Thereafter, 15% of proceeds accrue to the School Capital Matching Fund.

4. The Parks and Natural Resources Fund Constitutional amendment requires 15% of net proceeds be transferred to this fund.

5. Per Ballot Measure 96 (2016), 1.5% of net lottery proceeds are dedicated to the Veterans' Services Fund

6. Per Ballot Measure 99 (2016), the lesser of 4% of Lottery transfers or \$22 million per year is transferred to the Outdoor Education Account. Adjusted annually for inflation.

7. Approximately one percent of net lottery proceeds are dedicated to each program. Certain limits are imposed by the Legislature.

8. Includes Debt Service Allocations, Allocations to State School Fund and Other Agency Allocations

Source: December 2024 Oregon Economic and Revenue Forecast, Oregon Office of Economic Analysis

SECTION M - MEDICAL PROVIDER TAXES

Medical Provider Taxes

Currently, Oregon has three different medical provider taxes¹: (1) hospital assessments² (on Diagnostic Related Group hospitals, and Types A and B rural hospitals), (2) assessment/tax on health insurance plans, and (3) long-term care facility (nursing home) assessment.

Four types of provider taxes were first authorized in the 2003 legislature by HB 2747 to generate revenue to help fund Oregon's Medicaid programs: assessments on net patient revenues of certain hospitals (hospital assessment), assessments on Medicaid managed care plan premiums (managed care organization tax), assessments on long term care facilities or nursing homes (long term care facility assessment), and assessments on programs of all inclusive care for the elderly (PACE assessment)³. These enacted provider taxes had sunset dates.

Over time, these provider taxes went through sunset extensions, modifications and terminations. For example, during a major overhaul of Oregon's state health care delivery system in 2009, the legislature decided to continue hospital assessments and long term care facility assessments, but put an end to managed care organization tax in 2013. At the same time, the legislature created for a limited duration, assessments on premiums of certain health insurers (insurers tax). This funding bill, HB 2116, was the companion bill to HB 2009 that implemented the restructuring of Oregon's state health care system.

The 2017 legislature extended the existing hospital assessments through 2021. It also expanded hospital assessment to include rural hospitals. The legislature also decided to impose assessment on certain health insurance plan premiums (insurers tax) for two years, starting from 2018. These changes were stipulated in HB 2391. HB 2010 (2019) extended hospital assessments to 2025 and insurers tax to 2026. The long term care facility assessment has been extended through 2032 by the 2024 legislature.

Medical Provider Taxes Collection History

The following table (Exhibit M-1) shows collection history of provider taxes since the inception. With an expansion of OHP and commensurate caseload increase, provider taxes have been going up quite substantially. Among all provider taxes, hospital assessment has seen the most increase over the years. The tax rates, jointly determined by the Oregon Department of Human Services (DHS) and medical providers, have often reflected funding needs.

¹ A medical provider pays a tax or fee to a state government, which then uses the money to bring in additional federal Medicaid fund. In medical provider tax discussions, assessments and taxes are used interchangeably. These assessments or taxes are most often referred to as medical provider taxes or simply provider taxes.

² Rural hospitals have lower assessment rates than Diagnostic Related Group (DRG) hospitals.

³ PACE is a Medicare and Medicaid program that helps certain older people meet their health care needs in the community instead of going to a nursing home or other care facility. PACE tax was supposed to bring in \$1.5 million in the 2003-05 biennium, but it did not meet federal requirements and was not implemented. To receive matching federal Medicaid money for eligible participants of the program, the state has been using General Fund.

EXHIBIT M-1

Health Care Provider Taxes (\$ millions)

(as of November 2024)

| | Hospital Assessment | Managed Care Organization (MCO) Tax | Insurers Tax | Long Term Care Facility Assessment | Combined Total |
|---------|------------------------|---|--------------|--|-------------------|
| FY 2004 | | \$8.1 | | \$24.2 | \$32.3 |
| FY 2005 | \$37.6 | \$61.3 | | \$29.2 | \$128.1 |
| FY 2006 | \$34.6 | \$59.9 | | \$32.7 | \$127.2 |
| FY 2007 | \$44.8 | \$56.9 | | \$35.2 | \$136.9 |
| FY 2008 | \$43.0 | \$61.3 | | \$37.8 | \$142.1 |
| FY 2009 | \$40.0 | \$72.2 | | \$37.1 | \$149.3 |
| FY 2010 | \$146.0 | \$29.5 | \$39.4 | \$36.6 | \$251.4 |
| FY 2011 | \$165.4 | \$19.4 | \$53.5 | \$37.7 | \$276.0 |
| FY 2012 | \$354.0 | \$19.4 | \$54.8 | \$40.1 | \$468.4 |
| FY 2013 | \$350.6 | \$22.6 | \$55.8 | \$41.8 | \$470.8 |
| FY 2014 | \$434.7 | \$6.0 | \$13.7 | \$50.7 | \$505.1 |
| FY 2015 | \$514.2 | | | \$51.5 | \$565.7 |
| FY 2016 | \$544.0 | | | \$59.6 | \$603.5 |
| FY 2017 | \$517.4 | | | \$60.1 | \$577.5 |
| FY 2018 | \$589.8 | | \$61.2 | \$61.0 | \$712.0 |
| FY 2019 | \$624.9 | | \$176.2 | \$62.5 | \$863.6 |
| FY 2020 | \$610.7 | | \$223.4 | \$63.1 | \$897.1 |
| FY 2021 | \$686.7 | | \$279.3 | \$58.6 | \$1,024.7 |
| FY 2022 | \$725.1 | | \$312.6 | \$59.7 | \$1,097.4 |
| FY 2023 | \$777.5 | | \$333.0 | \$70.8 | \$1,181.2 |
| FY 2024 | \$825.1 | | \$358.6 | \$79.0 | \$1,262.7 |

Source: OHA.DHS, DCBS November 2024

Medical provider Taxes and the Oregon Health Plan

Medical provider taxes and matching funds from the federal government have played a key role in financing the Oregon Health Plan or OHP. The OHP is the state's Medicaid program. It provides health care coverage for Oregonians with limited income and resources, including working families, children, pregnant women, single adults, and seniors. In the 2023-25 biennium, a little over 1.4 million Oregonians are expected to be covered by the OHP.

Total OHP funding (Legislatively Approved Budget) in 2023-25 is approximately \$26.6 billion. 30.2% (\$8.02 billion) of the total funding comes from state sources and the remaining 69.8% from the federal government. About 28.9% of the total state sources are derived from medical provider taxes. About 43.7% of the state sources are appropriated from General Fund.

Not all provider taxes are dedicated to OHP. While hospital and insurance plan assessments provide funding for OHP, the long term care facility tax offsets General Fund expenditures for nursing facility services, independently of OHP. In addition, some of provider taxes had been used for hospital quality improvement and health initiative purposes.

Medical provider Taxes and Funding of OHP

The following chart (Exhibit M-2) shows funding sources and their revenues (or estimated revenues) over several biennia. It also illustrates fluctuating weights of sources in funding OHP.

EXHIBIT M-2

Oregon Health Plan: Caseloads and Funding Sources

| | Biennium | | | | | | | | |
|-------------------------------|----------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|
| | 2007-09 | 2009-11 | 2011-13 | 2013-15 | 2015-17 | 2017-19 | 2019-21 | 2021-23 | 2023-25* |
| OHP-Covered Oregonians | 401,525 | 520,194 | 621,740 | 924,268 | 1,120,202 | 1,054,698 | 1,154,724 | 1,403,328 | 1,411,263 |

| Source of Funds (millions) | Biennium | | | | | | | | |
|----------------------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2007-09 | 2009-11 | 2011-13 | 2013-15 | 2015-17 | 2017-19 | 2019-21 | 2021-23 | 2023-25* |
| State Funds | \$1,549 | \$1,688 | \$2,735 | \$2,844 | \$3,060 | \$3,674 | \$4,270 | \$5,478 | \$8,021 |
| Health Care Provider Taxes | \$156 | \$458 | \$772 | \$826 | \$1,058 | \$1,541 | \$1,708 | \$1,891 | \$2,320 |
| General Fund | \$896 | \$708 | \$853 | \$994 | \$1,126 | \$1,035 | \$1,218 | \$1,736 | \$3,506 |
| All Other State Funds | \$497 | \$522 | \$1,110 | \$1,024 | \$876 | \$1,098 | \$1,344 | \$1,851 | \$2,195 |
| Federal Funds | \$2,681 | \$3,780 | \$4,108 | \$8,573 | \$10,620 | \$11,137 | \$13,005 | \$16,718 | \$18,562 |
| Total Funds | \$4,230 | \$5,469 | \$6,843 | \$11,418 | \$13,680 | \$14,810 | \$17,275 | \$22,196 | \$26,582 |

| Contribution to the Total Funds (%) | | | | | | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| State Funds | 36.6% | 30.9% | 40.0% | 24.9% | 22.4% | 24.8% | 24.7% | 24.7% | 30.2% |
| Health Care Provider Taxes | 3.7% | 8.4% | 11.3% | 7.2% | 7.7% | 10.4% | 9.9% | 8.5% | 8.7% |
| General Fund | 21.2% | 12.9% | 12.5% | 8.7% | 8.2% | 7.0% | 7.0% | 7.8% | 13.2% |
| All Other State Funds | 11.7% | 9.5% | 16.2% | 9.0% | 6.4% | 7.4% | 7.8% | 8.3% | 8.3% |
| Federal Funds | 63.4% | 69.1% | 60.0% | 75.1% | 77.6% | 75.2% | 75.3% | 75.3% | 69.8% |
| Total Funds | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

*Legislatively Approved Budget through November 2024.

Source: OHA/DHS, January 2025

SECTION N – LABOR TAXES

This section provides overviews of two taxes where the revenue raised is placed into a trust fund for future use by eligible employees. These taxes are the Unemployment Insurance Tax and the Paid Medical Leave Tax. The Unemployment Insurance tax is paid by employers while the Paid Leave Tax is paid by both the employee and the employer.

UNEMPLOYMENT INSURANCE TAX

In 1935 the Social Security Act was passed. It contained provisions that created unemployment insurance (UI) programs throughout the United States. The purpose of these programs was to provide temporary partial income replacement for employees who, through no fault of their own, had become unemployed. While there are federal requirements and oversight for UI programs, each state has the primary responsibility of developing and administering their own UI program. To fund these programs, the Social Security Act established an employer payroll tax. Though there have been many changes to the federal requirements and Oregon's UI program over the years, the basic structure of federal oversight partnering with State control remains.

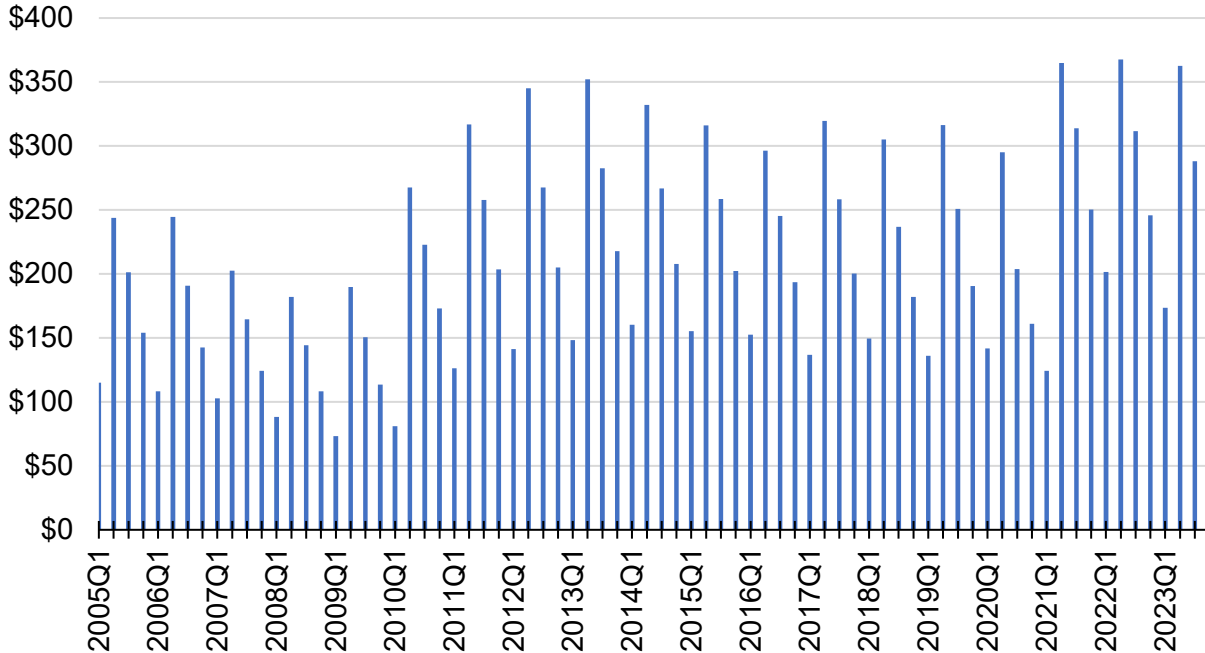
Payroll Tax

The Oregon State Unemployment Insurance payroll tax is established statutorily. Private sector employers who pay wages of \$1,000 or more in any calendar quarter, or who have one or more employees in each of eighteen weeks in a calendar year, are subject to the UI payroll tax on taxable wages. For 2024, the taxable wages are the first \$52,800 of wages paid to each employee. There are several exclusions (for instance certain smaller agricultural employers), but most Oregon employers are subject to the UI payroll tax. Taxes are paid into the Unemployment Compensation Trust Fund (UCTF).

Reimbursing employers are not subject to the UI payroll tax. Instead, they repay UI benefits to the UCTF. Reimbursing employers are federal and state subject employers, local government employers, and non-profit subject employers who opt to reimburse. Exhibit N-1 shows a quarterly time series of contributions made by employers to the UCTF from 2005Q1 to 2023Q4.

EXHIBIT N-1

Employer Contributions (millions)

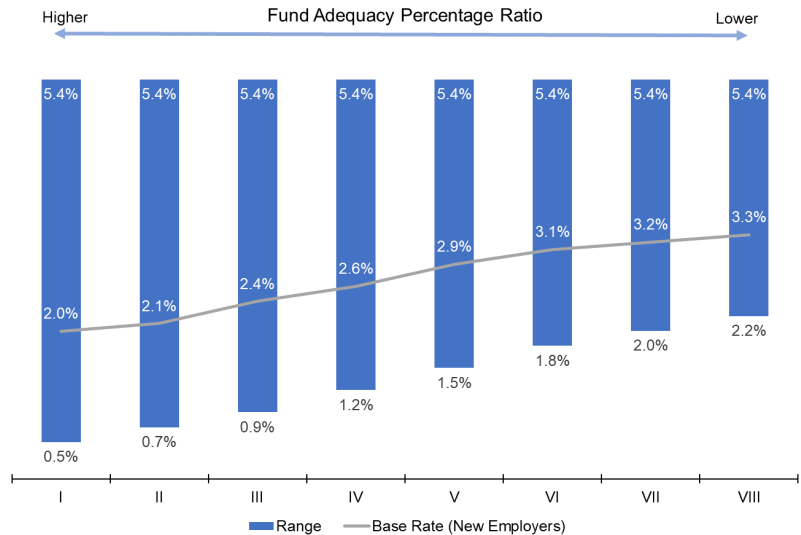


To determine the tax rate for each employer subject to the UI payroll tax, the Oregon Employment Department (OED) determines the tax schedule in effect for a tax year as well as the relative **experience rating** for each employer. Experience ratings measure the probability an employer's workers will file for unemployment benefits.

Oregon has eight UI payroll tax schedules (shown in Exhibit N-2). Schedule I has the largest rate range, from 0.5% to 5.4%. Schedule VIII has the smallest range from 2.2% to 5.4%. The tax schedule used each year is dictated by the projected solvency of the UCTF with respect to projected benefits expected during a high-cost period, known as the **fund adequacy percentage ratio**.

This ratio is calculated by comparing the balance of the UCTF as of August 31st with the benefit payments expected during a high-cost payment period. A high-cost payment period is defined by the highest cost benefits period, during 12 consecutive months, in the previous 20 complete calendar years. Calendar years 2020 and 2021 are excluded as the impact of the

EXHIBIT N-2

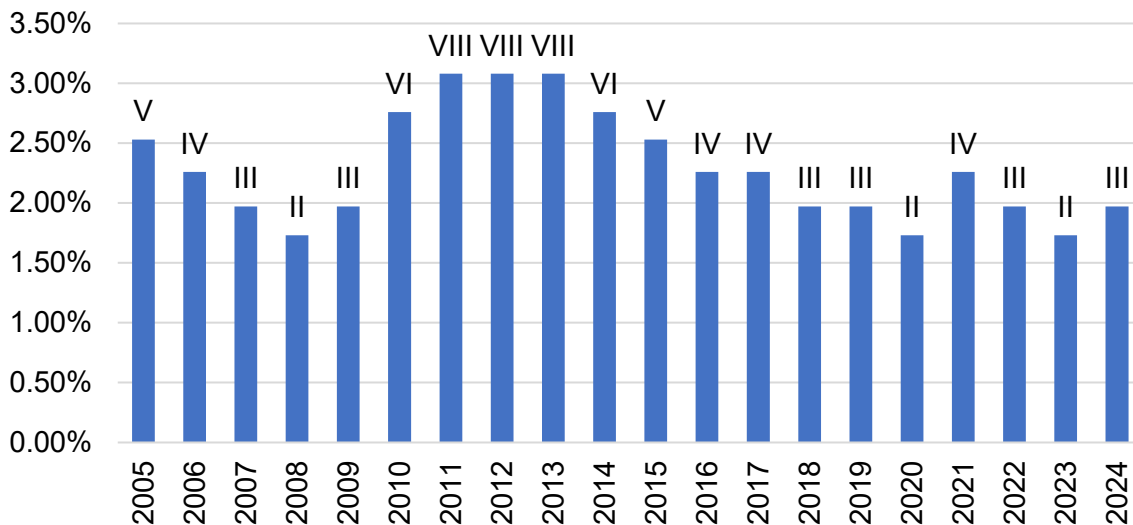


2020 recession is considered anomalous. Benefits paid during the high-cost period are adjusted for wage and employment growth.

Once the fund adequacy ratio is calculated, it is compared to the statutorily defined fund adequacy ratio range for each tax schedule to determine which tax schedule will be in effect for the coming year. This process is completed September of each year. For 2024, Tax Schedule III is in effect. Exhibit N-3 shows the tax schedules which have been in effect since 2005.

EXHIBIT N-3

Unemployment Insurance Payroll Tax Schedules (average rate)



Data Source: Oregon Employment Department

EXHIBIT N-4

By design, the process of selecting a tax schedule is self-balancing. If the UCTF balance increases enough, relative to expected benefit payments, the tax schedule and the average tax rate decrease. If the UCTF balance is drawn down enough, the tax schedule increases. Exhibit N-4 shows the frequency of each tax schedule that has been in effect since 1980.

| Tax Schedule | Average Tax Rate | Frequency (since 1980) |
|--------------|------------------|------------------------|
| I | 1.47% | 1 |
| II | 1.73% | 5 |
| III | 1.97% | 12 |
| IV | 2.26% | 5 |
| V | 2.53% | 5 |
| VI | 2.76% | 6 |
| VII | 2.91% | 1 |
| VIII | 3.08% | 10 |

Data Source: Oregon Employment Department

The experience rating used to calculate the tax rate for specific employers is determined by their **benefit ratio**. This ratio is calculated by dividing total UI benefits attributed to an employer's record by the employer's payroll. The calculation looks at the preceding 12 consecutive

attributable calendar quarters. If an employer has less than 12 attributable quarters, the preceding 4 to 11 consecutive calendar quarters are used. Employers are then ordered from lowest benefit ratio to highest and grouped by percentage of total taxable payroll. Each group is then assigned a tax rate, from lowest to highest. Using Tax Schedule III as an example, employers with the lowest benefit ratios comprising 0.0% to less than 10.0% of cumulative taxable payroll are assigned a tax rate of 0.5%. Employers in the next group would comprise those that would raise cumulative taxable payroll to 10.0% to less than 15.0% and be assigned a tax rate of 0.6%. This process continues until all employers are assigned a tax rate.

For employers with less than 4 consecutive attributable quarters, a base year rate is assigned, ranging from 2.0% to 3.3% depending on the tax schedule.

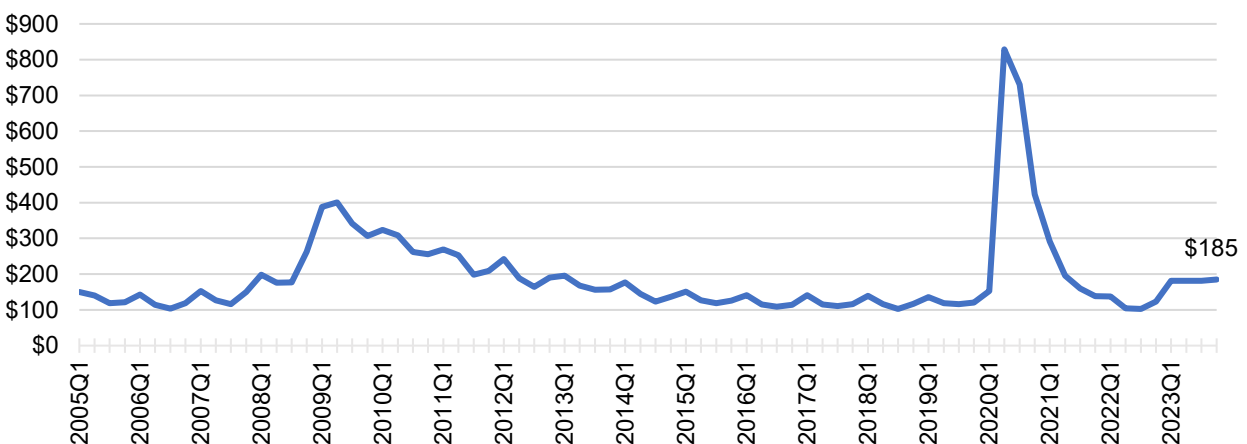
Along with state UI payroll tax, employers must pay a federal unemployment tax. The federal tax is set at 6.0% on the first \$7,000 paid to each employee annually. While Oregon is in compliance with the Federal Unemployment Tax Act (FUTA), employers receive a credit for state unemployment taxes paid of up to 5.4%. This results in an effective FUTA tax rate of 0.6%.

Benefits

To qualify for Oregon UI benefits, workers must have worked at least 500 hours or been paid at least \$1,000 from an employer during their base year (the first 4 of the 5 previous complete quarters) or an alternative base year (4 previous complete quarters) and been laid off or had reduced hours through no fault of their own. They must also be able, available and looking for work. Claimants are eligible to receive 1.25% of their total base year gross income per week for 26 weeks (state or federal programs may increase this duration). This amount is subject to a minimum and maximum amount calculated for the fiscal period from July 1st through June 30th of the following year. For the 2024-25 fiscal year, the minimum benefit is \$196 per week. The maximum benefit is \$836 per week. The minimum and maximum amounts are based on the state average weekly wage. The total benefits paid out of the UCTF in Oregon are shown in Exhibit N-5.

EXHIBIT N-5

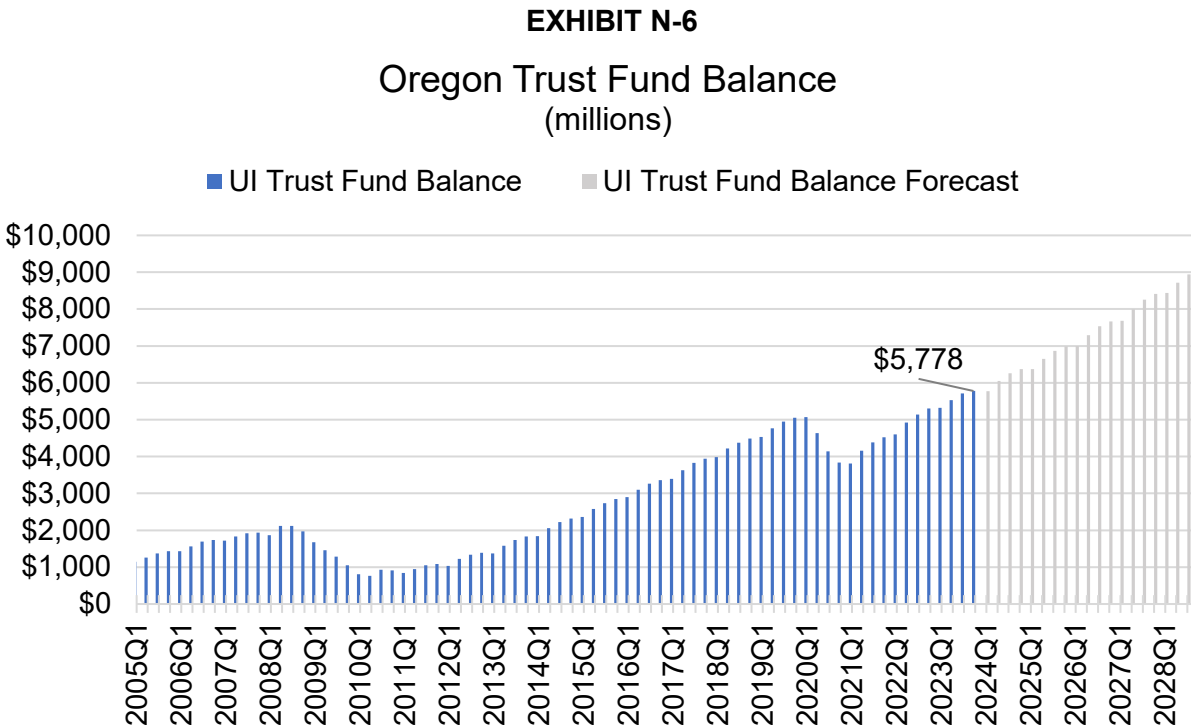
Oregon Benefit Payments (millions)



Data Source: Oregon Employment Department

Unemployment Insurance Trust Fund Balance

As noted above, the health of the UCTF plays a determinative roll in which tax schedule is in effect for a given tax year. The self-balancing design of the UI tax system allows the UCTF to recover from drawdowns while keeping the tax rate low during less costly periods. Exhibit N-6 shows the UI trust fund balance and OED forecast by quarter for 2025 Q1 through 2028 Q4.



Data Source: Oregon Employment Department

Recent History

In the past 10 years, several changes to the state unemployment insurance law have been made which affected revenue. Arguably, the most impactful of those changes was the passing of HB 3389 during the 2021 legislative session. HB 3389, in response to the 2020 recession, provided an OED estimated \$45 million in contributions, interest, and penalty relief to employers. Additionally, OED estimates employer tax contributions through 2029 will be \$2.2 billion lower as a result of HB 3389. Exhibit N-7 summarizes the legislative changes which effected UI tax law over the previous 10 years.

EXHIBIT N-7

| Legislative Session | Bill Number | Description |
|---------------------|-------------|--|
| 2015 | HB 2440 | Allows an unemployed individual, who is eligible for unemployment insurance benefits, to be still eligible for the benefits when traveling outside their normal labor market for job interviews. |
| | SB 242 | Makes changes to conform to federal requirements in the OED's participation in the U.S. Treasury Offset Program (TOP) and work share eligibility practice. |
| | SB 243 | Provides that an individual who is paid UI benefits to which they are not entitled is liable, in certain circumstances, to have the amount deducted from future benefits payable under the law of another state. |
| 2019 | HB 2660 | Removes prohibition on payment of UI benefits to nonprofessional employees of an educational institution providing facilities or janitorial services during summer breaks. |
| | HB 3120 | Provides that an individual may not be disqualified from UI benefits for voluntarily leaving, failing to accept, or failing to apply for work for reasons relating to the crime of intimidation. |
| 2021 | HB 2359 | Stipulates that the services performed by language translators/interpreters be considered employment for purposes of UI benefits, if such services are not performed by statutorily defined independent contractors. |
| | HB 3178 | Temporarily removes a condition for being deemed "unemployed" that an individual's weekly remuneration for part-time work be less than the individual's weekly UI benefit amount. |
| | HB 3389 | Makes various changes in relation to the Unemployment Insurance Trust Fund to give financial relief to employers. |
| | SB 172 | Limits the recovery period of non-fraudulent claimant-caused UI benefit overpayments to five years following the final decision. Allows a waiver of all or part of non-fraudulent UI benefit overpayments under specified circumstances. |
| 2024 | HB 4035 | Increases the Supplemental Employment Department Administration Fund allocation of UI tax revenues. |

Additional Information

OED forecast and data can be found at:

<https://www.oregon.gov/employ/newsandmedia/pages/ui-reports.aspx>.

Department of Labor Unemployment Insurance Trust Fund solvency reports are located at:

<https://oui.doleta.gov/unemploy/solvency.asp>.

Oregon Revised Statute (ORS 657) relating to unemployment insurance can be found at:

https://www.oregonlegislature.gov/bills_laws/ors/ors657.html.

Paid Leave Oregon Tax

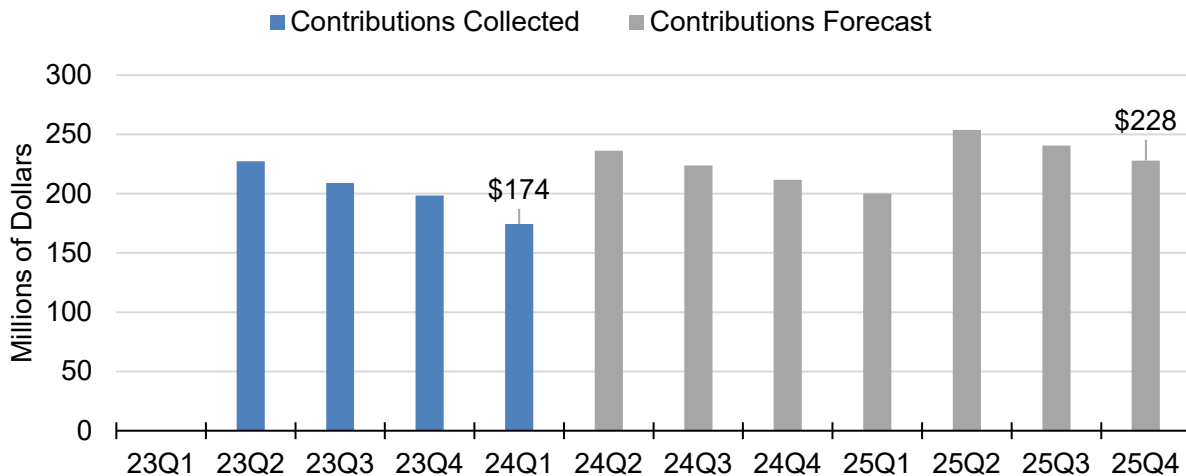
The 2019 Oregon Legislature created the Paid Leave Oregon (PLO) program for the purpose of providing workers with compensated time off to recover from serious health conditions, to care for family members with serious health conditions, and to bond with children new to their family. The legislation established a payroll tax to fund these benefits.

Contributions

PLO benefits are funded by a payroll tax. These taxes are deposited into the Paid Family and Medical Leave Insurance Fund. The tax rate is set by the Oregon Employment Department director each year at 1% or less of an employee's wages, limited to wages below a specific amount. The wage limit is adjusted no later than December 15th of each year to be equivalent to the Social Security contribution and benefit base limit. For 2024, the tax rate was set at 1% and the wage limit was set to \$168,600. Employers with, on average, 25 or more employees, pay 40% of this tax. Employers with fewer than 25 employees are not required to pay the tax. Employees pay 60% of this tax regardless of their employer's size. PLO taxes are collected on a quarterly basis. Exhibit N-8 graphs actual and forecast contributions.

EXHIBIT N-8

Paid Leave Contributions



Data Source: Oregon Employment Department

An alternative to the PLO tax for employers is to provide an equivalent benefit plan. Equivalent plans must provide eligibility, coverage, and benefits at least equivalent to PLO. They may not deduct more from an employee than does PLO. An employer may apply to PLO for approval of an equivalent plan for an initial cost of \$250. Plans must be approved every three years. Re-approval without substantive changes costs \$150. Re-approval with substantive changes costs \$250. As of March 2024, PLO had received 3,436 applications for equivalent plans. About 16% (391,235) of Oregon employees are covered by equivalent plans.

EXHIBIT N-9

Employer Equivalent Plan Applications (as of March 2024)

| Category | Number of Plan Applications | Percent in Category |
|-----------------|-----------------------------|---------------------|
| Employers | 3,436 | 2.6% |
| Large employers | 2,099 | 19.1% |
| Small employers | 1,337 | 1.1% |

Data Source: Oregon Employment Department

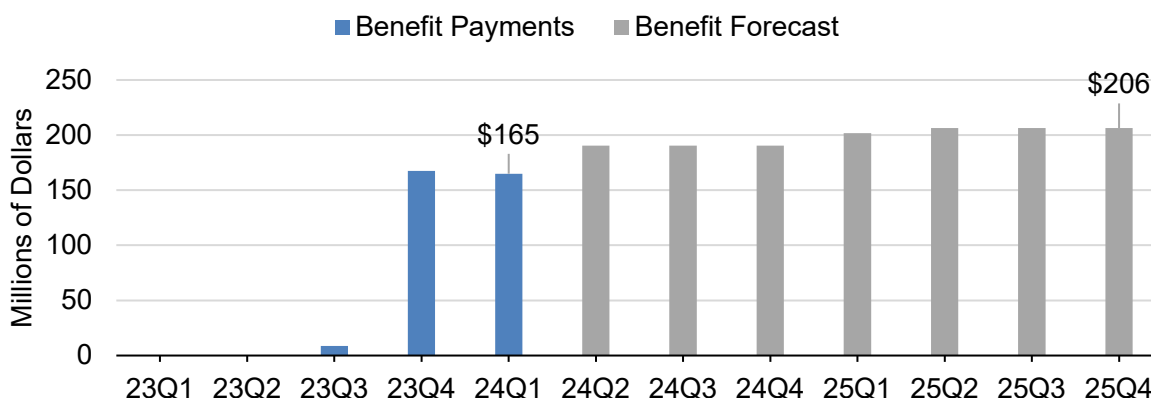
Benefit Payments

To be eligible for PLO benefits, a worker must have earned at least \$1,000 in Oregon during either the first four of the last five complete quarters prior to applying for benefits or during the last four complete quarters prior to applying for benefits. Self-employed individuals, independent contractors, and tribal government employees are not automatically covered, but may choose to participate in PLO. Federal government employees, elected officials, judges, and holders of public office are not eligible for PLO benefits.

PLO pays a percent of an individual's wages for up to 12 weeks in a 52-week period, for family, medical, or safe leave¹. In some situations, a pregnant employee may be able to claim an additional 2 weeks of benefits. The percent of wages paid is limited to a maximum of 120% and a minimum of 5% of the state average weekly wage (calculated once per year). Within these bounds, an individual's weekly benefit amount is calculated as 100% of an employee's average weekly wage that is 65% or less of the state average weekly wage plus 50% of an employee's weekly wage greater than 65% of the state average weekly wage. For example, if Oregon's average weekly wage is \$1,000 per week and an individual makes \$1,100 per week the individual would receive \$875 per week ($0.65 * \$1,000 + 0.5 * \450). The weekly benefit amount for self-employed individuals and tribal government employees is based on the contributions of those employees or tribal governments. Exhibit N-10 shows recent quarterly benefits paid as well as forecasted payments through 2025.

EXHIBIT N-10

Paid Leave Benefits Payments



Data Source: Oregon Employment Department

¹ Paid time off for the survivors, or the parents of survivors, of sexual assault, domestic violence, harassment, bias crimes, or stalking.

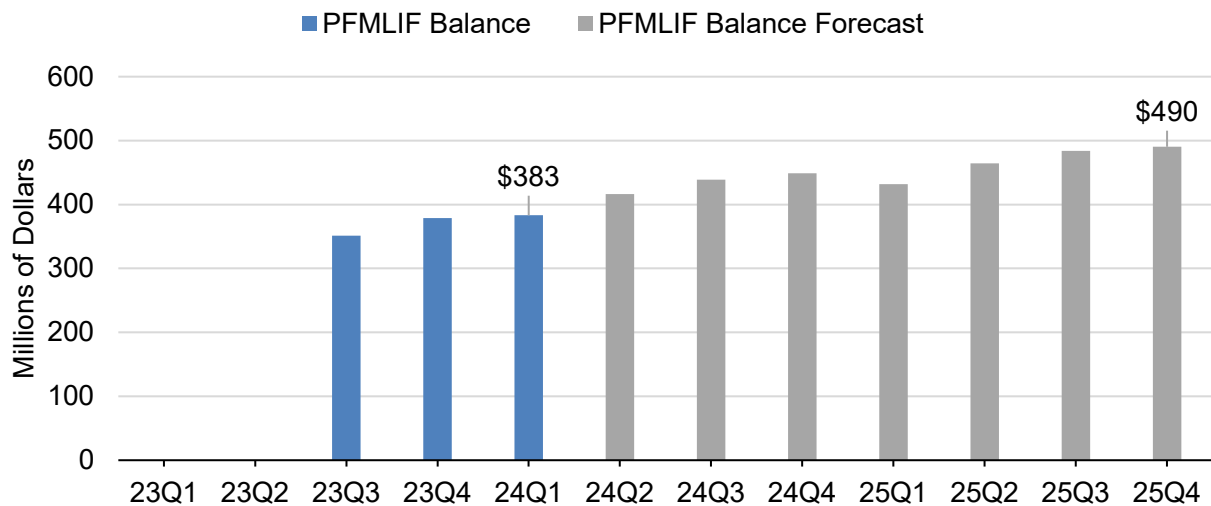
PLO also provides assistance grants for employers with, on average, less than 25 employees. These grants are intended to cover costs related to employees taking leave. A grant to cover the hiring of a temporary replacement worker is available for up to \$3,000. An additional grant of up to \$1,000 is available for related wage costs. If a grant is approved, the employer agrees to pay into PLO for 8 quarters. An employer may apply for each grant up to 10 times per year.

Paid Family Medical Leave Insurance Fund Balance

By statute, the Oregon Employment Department director sets the PLO tax rate so that, at the end of the period the tax rate is in effect, the Paid Family and Medical Leave Insurance Fund has no less than 6 months of projected expenditures. In addition, the director is tasked with minimizing contribution rate volatility. The payroll tax rate for 2023 and 2024 were set to 1%.

EXHIBIT N-11

Paid Family Medical Leave Insurance Fund Balance

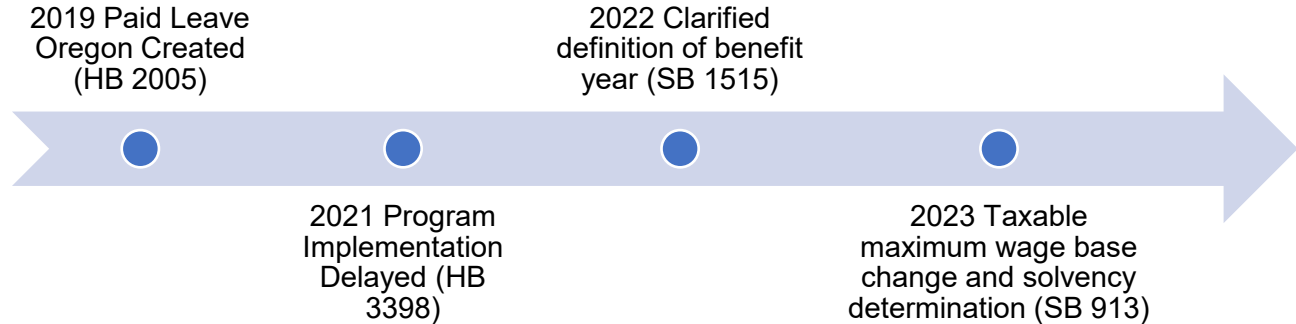


Data Source: Oregon Employment Department

Recent History

During the 2019 legislative session, House Bill 2005 was passed creating PLO. Since then, there have been several clarifications and technical changes to the bill. Exhibit N-12 is a timeline of legislative changes to PLO.

EXHIBIT N-12



During the 2021 legislative session, house bill 3398 delayed the implementation of PLO, allowing additional time to build the program (delaying contributions from January 1, 2022, to January 1, 2023, benefit payments from January 1, 2023, to September 3, 2023, and assistance grants from January 1, 2023, to June 30, 2023). In 2022 senate bill 1515 clarified the definition of a benefit year and removed the requirement for the Director of the Oregon Employment Department to determine the benefit year for employers. In 2023, the legislature set the taxable wage base limit for PLO tax to the U.S. Social Security wage base maximum, as well as requiring determination of the solvency of the Paid Family Medical Leave Insurance Fund.

Additional information

Additional information regarding PLO can be found on the Paid Leave Oregon webpage: <https://paidleave.oregon.gov/>.

Additional data can be found on the Paid Leave Oregon webpage: <https://www.oregon.gov/employ/NewsAndMedia/Pages/Dashboard.aspx>.

The relevant 2023 Oregon Revised Statute (ORS 657B) can be found at: https://www.oregonlegislature.gov/bills_laws/ors/ors657B.html.

Section O - Other Taxes

This section of the report covers three taxes: Marijuana, 911/988, and Transient Lodging.

Marijuana/Cannabis Revenue

The OLCC was tasked with implementing the Marijuana legalization initiative (Measure 91) which was passed in 2014. That implementation was reconfigured and embellished by HB 3400 of the 2015 legislative session. HB 2041 changed the method of taxation from a \$35 per ounce (Production/Severance tax) collected by the OLCC to a 17% Point of Sale Tax¹ (POST) collected by DOR. The bill also allowed 3% optional tax for local governments that allow marijuana sales starting in 2017.

Full implementation of commercial sales was to commence on the first day of 2017, however, SB 460 allowed for marijuana to be sold during the 2016 calendar year by medical dispensaries. The early start program to the public was taxed at 25% POST rate. The early start program brought in about \$65 million in tax proceeds.

Since the beginning of legalization by M-91, the distribution of marijuana revenue, after deductions for collection and administration costs, would be divided among six statutorily specified uses. Drug abuse and prevention will get 5% of funds, cities and counties will each get 10% and then distributed among different cities and counties that don't prohibit marijuana based on statutory specified formula, 15% goes to the state police, 20% to mental health account, and 40% to the state school fund (after it was changed from the Common School Fund).

Measure 110 was passed by voters in 2020, and it capped the distributions to the above specified uses to \$11.25 million a quarter. All revenue above that \$90 million a biennium threshold would be directed to the Drug Treatment and Recovery Services Fund. The 2022 session (HB 4056) provided the annual \$45 million cap to be adjusted annually for inflation.

A portion of the cost incurred by the OLCC for regulation, enforcement, compliance, and licensing is funded by the (\$25 million) Licenses fees on cannabis businesses (more than 20 different kinds), while the remainder of the OLCC costs as well as DOR collection costs are covered from the tax revenue collected. The 2021 session allowed for Illegal Marijuana Market Enforcement Grant to be taken off the top of revenue before distributions, and the 2022 session (HB 4074) removed the sunset form that provision. Cannabis Retailers may retain 2% of taxes they collect from the consumer to cover their cost of collecting and remitting the taxes.

Exhibit O-1 Cannabis Tax Revenue

Legal cannabis sales exceeded a billion-dollar in Fiscal years 2021 and 2022, and gross cannabis tax revenue exceeded \$170 million. However, the strength witnessed during the COVID pandemic waned as slowing growth and weak prices weighed on revenues. For fiscal years 23 and 24 sales decreased to 0.96 billion dollars with tax revenue decreasing to

| Fiscal Year | State Totals | Local Tax Total |
|-------------|---------------|-----------------|
| FY 2016 | \$20,652,983 | \$0 |
| FY 2017 | \$70,263,897 | \$3,957,283 |
| FY 2018 | \$82,203,729 | \$12,784,127 |
| FY 2019 | \$102,094,948 | \$15,702,985 |
| FY 2020 | \$133,150,349 | \$20,767,346 |
| FY 2021 | \$178,262,488 | \$28,001,433 |
| FY 2022 | \$170,572,100 | \$26,876,865 |
| FY 2023 | \$142,088,093 | \$22,382,364 |
| FY 2024 | \$150,898,047 | \$23,619,953 |

Source: Oregon Department of Revenue Research Section

¹ Tax on the retail sale of goods and services.

less than \$151 million. On the local level, DOR administers the cannabis tax imposed by 85 cities and 7 counties.

Exhibit O-2 Cannabis Revenue Distributions

| Fiscal Year | Local Tax | State Tax | | | | | | | |
|-------------|---|---|-------------------------|--|---------------------------|---|---------------------------|--------------|-----------------|
| | Cities/ Counties Where DOR Collects the Local | Drug Treatment and Recovery Services Fund | State School Fund (40%) | Mental Health, Alcoholism, and Drug Services | Oregon State Police (15%) | Oregon Health Authority, for Drug Treatment | Cities and Counties (20%) | | State Tax Total |
| | | | | | | | By Population | If Opt-In | |
| 2018 | \$12,201,753 | \$0 | \$59,012,830 | \$29,506,415 | \$22,129,811 | \$7,376,604 | \$16,705,653 | \$12,800,761 | \$147,532,074 |
| 2019 | \$15,079,769 | \$0 | \$21,974,370 | \$10,987,185 | \$8,240,389 | \$2,746,796 | \$0 | \$18,649,711 | \$62,598,451 |
| 2020 | \$19,311,190 | \$0 | \$45,209,772 | \$22,604,896 | \$16,953,657 | \$5,651,219 | \$0 | \$23,918,063 | \$114,337,607 |
| 2021 | \$27,384,204 | \$64,579,753 | \$43,230,078 | \$21,615,079 | \$16,211,249 | \$5,403,750 | \$0 | \$21,384,337 | \$172,424,247 |
| 2022 | \$27,931,614 | \$121,941,155 | \$18,000,000 | \$9,000,000 | \$6,750,000 | \$2,250,000 | \$0 | \$9,000,000 | \$166,941,155 |
| 2023 | \$22,830,851 | \$88,026,245 | \$18,000,000 | \$9,000,000 | \$6,750,000 | \$2,250,000 | \$0 | \$9,000,000 | \$133,026,245 |
| 2024 | \$24,034,069 | \$96,542,264 | \$19,761,859 | \$9,880,929 | \$7,410,697 | \$2,470,232 | \$0 | \$9,880,929 | \$145,946,911 |

Source: Oregon Department of Revenue Research Section

E911 and 988 Tax

Current Tax Base

The Emergency Communications Tax (E911) and the Coordinated Crisis Services Tax (988) are imposed on each consumer or paying retail subscriber with access to the 911 emergency reporting system. The taxes apply to the same telecommunications subscribers, with the exception that the 988 tax does not apply to Oregon Lifeline transactions. Liability for the tax rests with the consumer or subscriber but providers and sellers of taxed communication service are responsible for collecting the tax. Returns and tax receipts are submitted quarterly by providers and sellers to the Department of Revenue. Any consumer subject to the tax and from whom the tax was not collected, is required to file and remit tax annually. Both components sunset December 31, 2029.

Highlights of Recent Legislative Change -

HB 2449 (2019)

- The sunset for the E911 tax was extended from 2021 to 2029
- It increased from \$.75 to \$1.00 monthly per line starting January 1, 2020, with a subsequent increase to \$1.25 starting January 1, 2021
- Administrative cost allocations were adjusted for the Department of Revenue

HB 2757 (2023)

- Created the 988 tax to start January 1, 2024, and applies to the same lines as the E911 tax, but does exempt line subsidized by the Oregon Lifeline program. The tax rate is \$0.40 monthly per line. The tax is placed in the 988 Trust Fund and is used to support 988 services

Tax Collection

- Tax is reported on returns and payments are made quarterly
- Non-Prepaid Wireless, Wireline & Voice over Internet Protocol (VoIP)
\$1.25 per month per subscriber line for E911 and \$0.40 for 988
- Prepaid Wireless Telecommunications
\$1.25 per retail transaction line for E911 and \$0.40 for 988

- The taxes applied to about 4.7 million lines in 2024
 - E911 Tax collections in fiscal year 2024 were \$80.8 million
 - 988 Tax collections in fiscal year 2024 were \$6.2 million

Tax Distribution

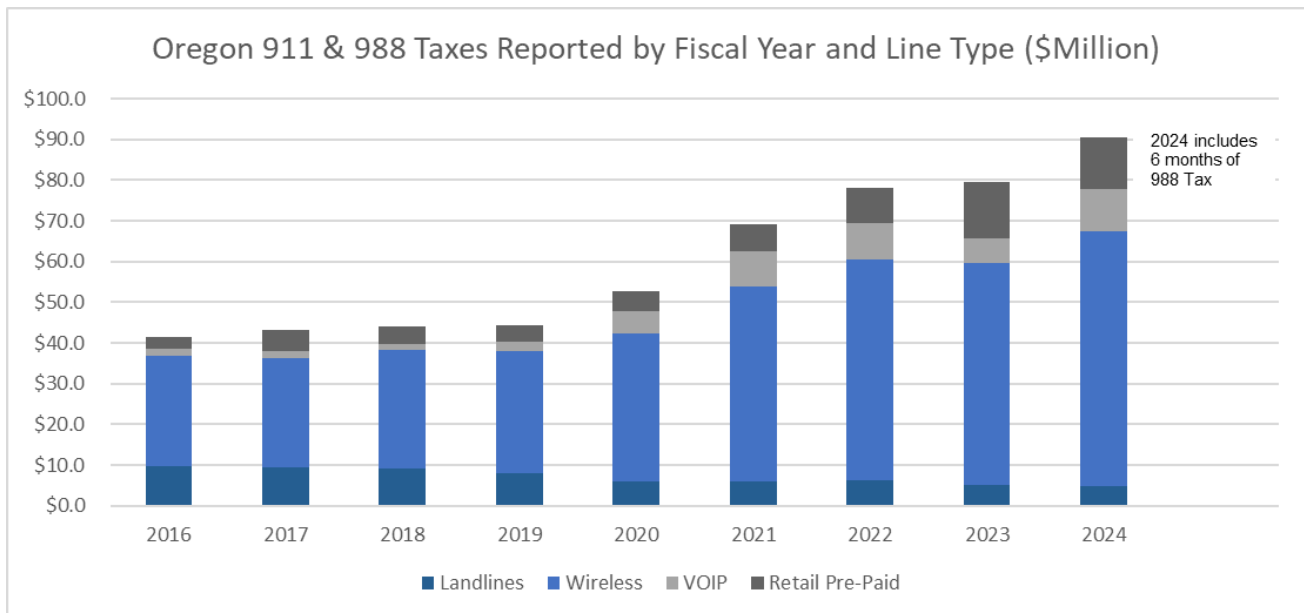
Prior to distribution, Department of Revenue may receive up to 0.6% of 911 tax receipts for administrative costs; the Office of Emergency Management may receive up to 2.4%. After deductions for the administrative expenses, 35% is transferred into the Enhanced 911 subaccount with the remaining funds distributed to cities and counties on a per capita basis. Funds in the Enhanced 911 subaccount are primarily used to make direct payments to vendors for Public Safety Answering Points (PSAPs) circuit charges and software upgrades. Local governments use the revenue to partially fund the expense of PSAPs across city and county governments.

The 988 tax is dedicated to the 9-8-8 Trust Fund and appropriated to the Oregon Health Authority for support of the state coordinated crisis system.

History

The tax was enacted in 1981 to aid local governments in establishing, operating, or improving an emergency 911 reporting system. From enactment in 1981 to 1991, the tax imposed was 3 percent of the monthly rate charged for basic telephone exchange access services. In 1991 the rate was increased to 5 percent. Beginning in 1995, the tax imposed changed to \$0.75 per month per circuit applied to all forms of wired and wireless telecommunications services. HB 4055 from 2014 and HB 2449 from 2019 made changes as previously described. There have been six sunset extensions of this tax since 1981. As of the date of publication of this report, the tax is \$1.25 per line. The chart below shows recent tax collections.

EXHIBIT O-3



TRANSIENT LODGING (HOTEL/MOTEL) TAX

The legislature created Oregon’s state transient lodging tax program in 2003 to provide core funding to the statewide tourism marketing agency (Travel Oregon). The tax is collected by DOR.

Background:

In the 1930s, Oregon’s then new state tourism bureau was part of State Highway Commission. Later, the tourism office joined the Oregon Economic Development Department. By 2003, the Legislative Assembly (HB 2267) decided to make the Oregon Tourism Commission an independent agency. The same legislative action established a statewide one percent transient lodging tax to help fund the tourism commission. Under the 2003 law the Legislature defined transient lodging in ORS 320 as “hotel, motel and inn dwelling units that are designed for temporary overnight human occupancy, and [which] includes spaces designed for parking recreational vehicles during periods of human occupancy of those vehicles.” The law requires the Oregon Tourism Commission to spend at least 80 percent of lodging tax net receipts on state tourism marketing programs and up to 15 percent of net receipts on regional tourism marketing programs. The 2003 law also constrained increases or new lodging taxes by local governments. Any new or increased local taxes after 2003 requires that 70 percent of net revenue be spent to fund tourism promotion or tourism-related facilities. Eighty-four cities and fifteen counties in

EXHIBIT O-4

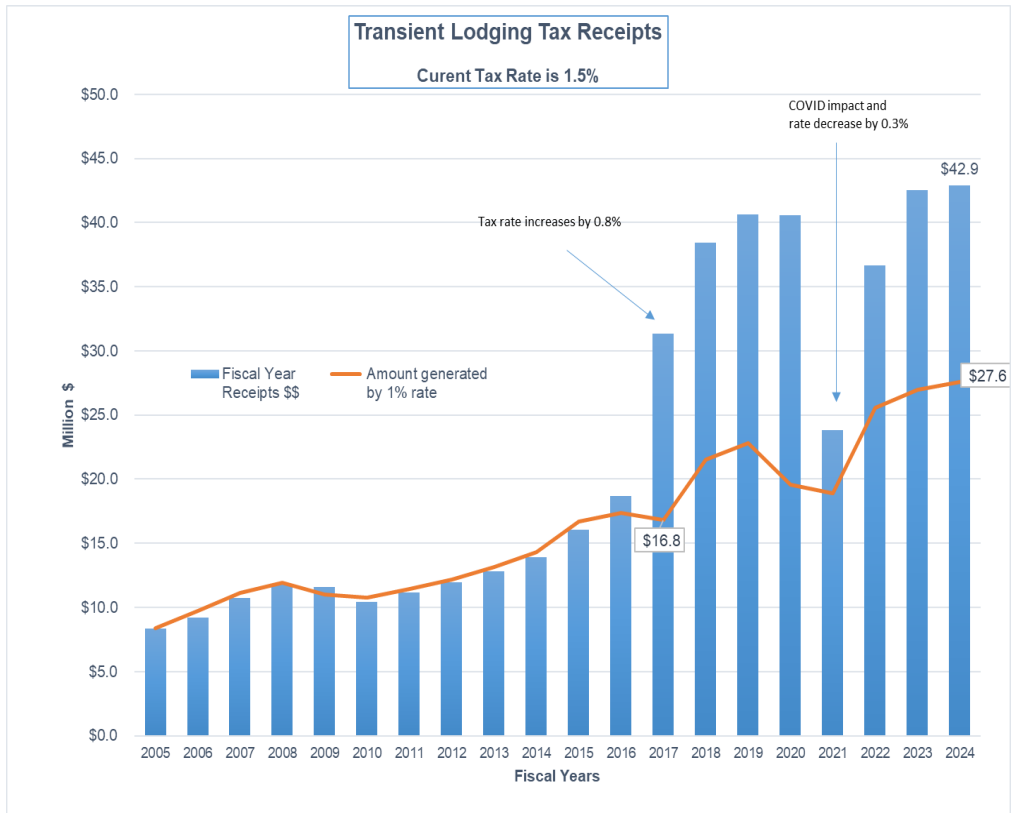
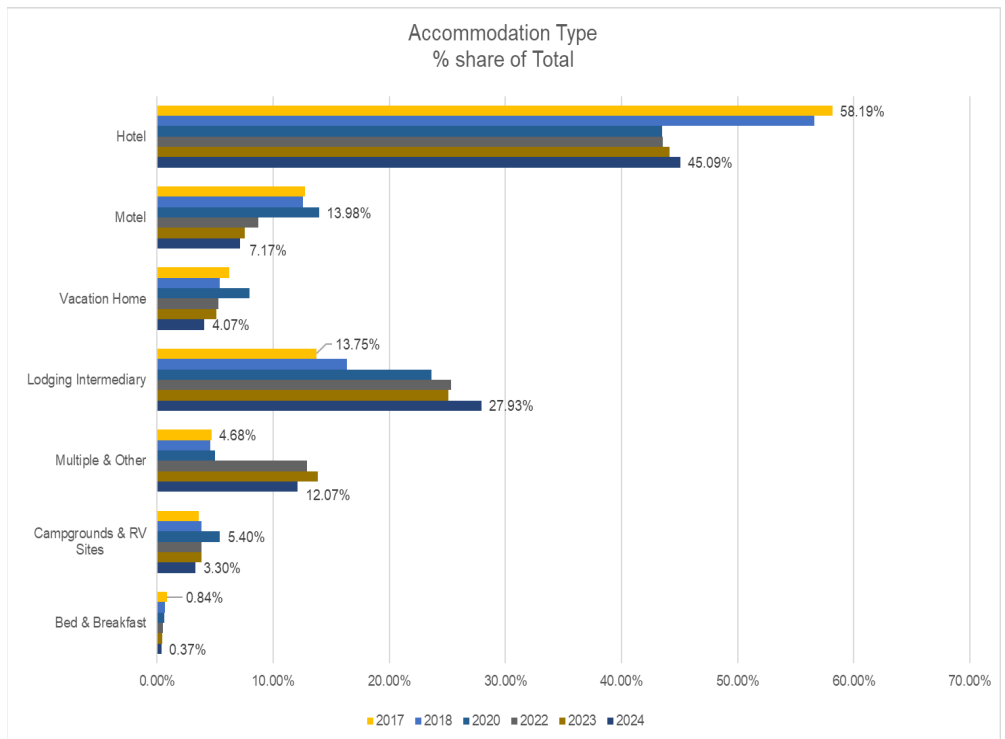


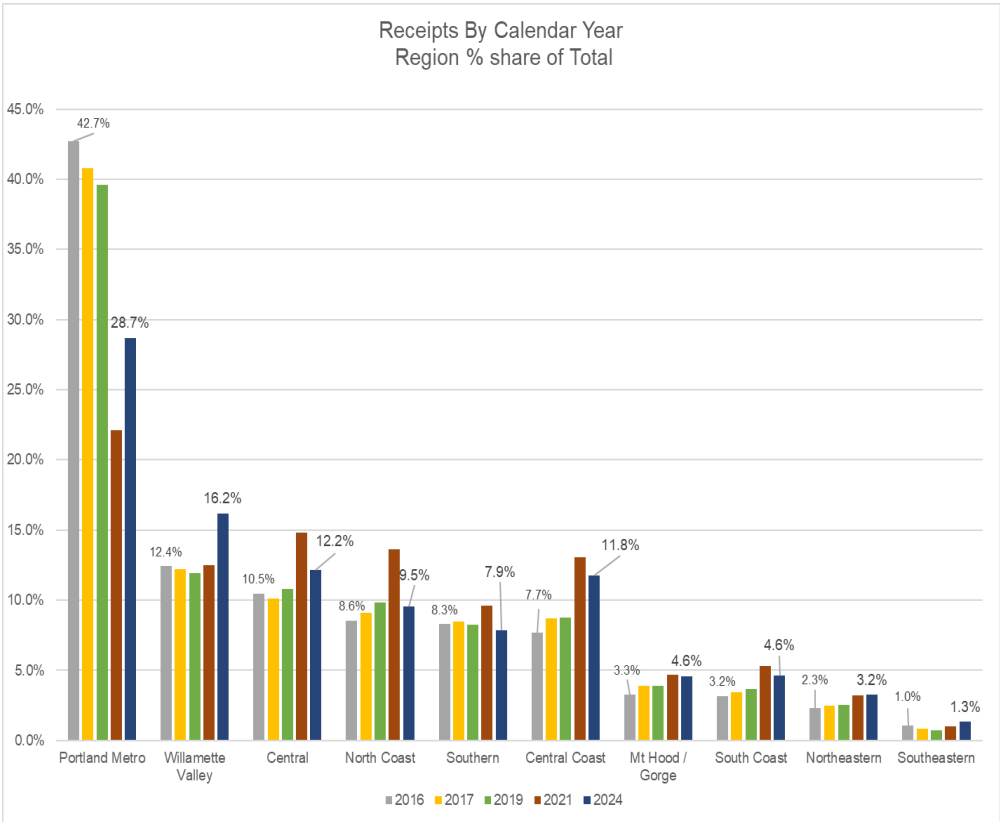
EXHIBIT O-5



Oregon levy a locally administered transient lodging tax and are also included in that legal definition. The 2005 Legislative session expanded the definition of transient lodging (HB 2197) to include dwelling units used for temporary human occupancy, where temporary was defined as fewer than 30 days. The 2005 law explicitly exempted certain other temporary overnight dwelling units, such as hospitals and nonprofit summer camps. The 2013 Legislative Assembly clarified circumstances under which a transient lodging intermediary (HB 2656) rather than a lodging provider would be the entity responsible for collecting and remitting transient lodging taxes. Transient lodging intermediaries include Online Travel Companies (OTC), travel agents, and tour outfitter companies, among others. The law specified that the entity collecting the payment from the customer is the entity required to collect and remit the tax based on the total retail price paid by the customer. Intermediaries are becoming more dominant in the industry and currently reach 28% of total transactions and tax payments.

EXHIBIT O-6

The 2016 session (HB 4146) increased the tax rate from 1% to 1.8% for the period July 1, 2016, to July 1, 2020. On July 1, 2020, the rate goes down to 1.5%. The higher rate generated an additional \$12.7 million in the 2015-17 biennium and \$27.4 million in the 2017-19 biennium after deducting collection costs. The bill also required that 20% of the revenue collected from the transient lodging tax be spent on implementing the regional cooperative tourism program and 10% be allocated to a competitive grant program to fund tourism-related facilities and events. The 2016 bill directed the Tourism Commission to base grant awards on demonstrated return on investment, geographic equity, and community support.



HB 2400 and HB 3180 of the 2017 session gave DOR and local governments additional enforcement authorities and allowed for better collaboration. HB 4120 of the 2018 session expanded the definition of intermediary to include third party entities for stricter compliance. The 2019 session provided additional clarity to the timing of collection and when the payments are due (HB 3137), allowed the OTC's to collect on temporary rentals of less than 30 days (HB 3138), and established (and funded) a mechanism for a pilot system to collect local data (HB 3136).

Revenue during FY 2019 and FY 2020 reached \$41 million; however, FY 2021 reflected the extent of the impact of the closures forced by the COVID- 19. Data from FY2023, and 24 shows that TLT collections have fully recovered and are growing again.

In previous Years, the Portland metro area generated more than 40 percent of the receipts, while the Williamite valley brought in slightly more than 12 percent. Together those two regions were responsible for about 55% of the total tax collections. As could be seen in the graph above those two regions' contributions have decreased to about 40% in the last couple of years but are starting to recover some

of their market share. The remaining regions have taken away most of that market share. Central Oregon and the coastal regions are contributing close to 50% of total current revenue. Those regions started to take some market share away from the metro region starting in FY 2019. The data from the last two years show that the Portland region have recovered some of its previous market share.

Overall collections went down by about \$6.5 million a year when the additional 0.3 percent tax rate elapsed in July 2020. Currently the permeant rate is 1.5% of business sales. Accounting for that reduction in rate, the net impact of COVID closures on the TLT revenue seem to amount to \$10 million in FY 2021. That contraction represents about 25% of the total receipts and the corresponding lodging activities. It also seems that much of that reduction was concentrated in the Portland metropolitan region. Fiscal Year 2024 shows the strongest receipts on record at \$42.9 million.

SECTION P - HISTORICAL TAX VOTES

| Year | Tax Change | Election | Proposed by | Outcome | Yes | No |
|------|---|----------------|----------------------|---------------|----------------|----------------|
| 1973 | McCall Plan | Special | Leg. referral | Failed | 253,682 | 358,210 |
| 1974 | New school tax bases | Primary | Leg. referral | Failed | 166,363 | 371,897 |
| | Higher income taxes for schools | Primary | Leg. referral | Failed | 136,851 | 410,733 |
| | Use Highway Fund for mass transit | Primary | Leg. referral | Failed | 190,899 | 369,038 |
| | Include revenue sharing in tax base | General | Leg. referral | Failed | 322,023 | 329,858 |
| 1976 | Allow local vehicle tax for transit | Primary | Leg. referral | Failed | 170,331 | 531,219 |
| | 1¢ gas tax & 26% truck tax increase | General | Pet. referral | Failed | 465,143 | 505,124 |
| 1977 | School "safety net" (M1) | Primary | Leg. referral | Failed | 112,570 | 252,061 |
| 1978 | 2¢ gas tax increase | Primary | Leg. referral | Failed | 190,301 | 365,170 |
| | 1.5% property tax limit (M6) | General | Initiative | Failed | 424,029 | 453,741 |
| | 50% home property tax relief | General | Leg. referral | Failed | 383,532 | 467,765 |
| | Vehicle registration fee increase | General | Pet. referral | Failed | 208,722 | 673,802 |
| 1980 | Continue 30% home property relief | Primary | Leg. referral | Passed | 636,565 | 64,979 |
| | Limits use of Highway Fund | Primary | Leg. referral | Passed | 451,695 | 257,230 |
| | 1% property tax limit | General | Initiative | Failed | 412,781 | 722,089 |
| | 2¢ gas tax increase | General | Leg. referral | Failed | 320,613 | 823,025 |
| | Dedicates oil taxes to schools | General | Leg. referral | Passed | 604,188 | 494,657 |
| 1982 | 3¢ gas tax increase | Primary | Leg. referral | Failed | 308,574 | 323,268 |
| | 1.5% property tax limit | General | Initiative | Failed | 504,836 | 515,626 |
| | Increase tax base for new const. | General | Leg. referral | Failed | 219,034 | 768,150 |
| 1984 | Vehicle registration fee increase | Primary | Leg. referral | Failed | 234,060 | 487,457 |
| | 1.5% property tax limit | General | Initiative | Failed | 599,424 | 616,252 |
| | Establish state lottery | General | Initiative | Passed | 794,441 | 412,341 |
| | Lottery statute | General | Initiative | Passed | 786,933 | 399,231 |
| 1985 | 5% sales tax | Special | Leg. referral | Failed | 189,733 | 664,365 |
| 1986 | Prohibit tax on social security | Primary | Leg. referral | Passed | 534,476 | 118,766 |
| | Adjust tax bases for merger | Primary | Leg. referral | Passed | 333,277 | 230,866 |
| | 5% sales tax | General | Initiative | Failed | 234,804 | 816,369 |
| | 1.5% property tax limit | General | Initiative | Failed | 449,548 | 584,396 |
| | Homestead exemption | General | Initiative | Failed | 381,727 | 639,034 |
| | Increase income taxes | General | Initiative | Failed | 299,551 | 720,034 |
| 1987 | School "safety net" | Primary | Leg. referral | Passed | 223,417 | 178,839 |
| 1988 | 1¢ cig. & beer tax for sports | General | Initiative | Failed | 449,797 | 759,360 |
| 1989 | New school tax bases | Primary | Leg. referral | Failed | 183,818 | 263,283 |
| 1990 | Change Oregon school finances | Primary | Leg. referral | Advisory | 462,090 | 140,747 |
| | Increase Personal Income Tax Rates | Primary | Leg. referral | Advisory | 177,964 | 408,842 |
| | Funded school taxes on homes | Primary | Leg. referral | Advisory | 128,642 | 449,725 |
| | 4% sales tax for schools | Primary | Leg. referral | Advisory | 202,367 | 385,820 |
| | 5% sales tax for schools | Primary | Leg. referral | Advisory | 222,611 | 374,466 |
| | Combines tax bases: school mergers | General | Leg. referral | Passed | 680,463 | 354,288 |
| | Taxes public pensions | General | Leg. referral | Failed | 406,372 | 617,586 |
| | 1.5% property tax limit (M5) | General | Initiative | Passed | 574,833 | 522,022 |
| | Tax credit for private education | General | Initiative | Failed | 351,977 | 741,863 |
| 1992 | Gas tax for highway police | Primary | Leg. referral | Failed | 244,173 | 451,715 |
| | Gas tax for parks | General | Leg. referral | Failed | 399,259 | 1,039,322 |
| | Split-roll property tax limit | General | Initiative | Failed | 362,621 | 1,077,206 |
| 1993 | 5% Sales Tax for Education | General | Leg. referral | Failed | 240,991 | 721,930 |
| 1994 | Gas tax to prevent contamination | Primary | Leg. referral | Failed | 158,029 | 446,665 |
| | Vote on tax or fee increases | General | Initiative | Failed | 543,302 | 671,025 |
| | Minimum funding for schools (Kids First) | General | Initiative | Failed | 438,018 | 760,853 |
| | 2% Equal Tax | General | Initiative | Failed | 284,195 | 898,416 |
| 1995 | Lottery revenue for education | Primary | Leg. referral | Passed | 671,027 | 99,728 |

SECTION P - HISTORICAL TAX VOTES

| Year | Tax Change | Election | Proposed by | Outcome | Yes | No |
|------|---|----------|---------------|---------|------------------------------|-----------|
| 1996 | 3/5 vote to raise revenue | Primary | Leg. referral | Passed | 349,918 | 289,930 |
| | State pays for local mandates | General | Leg. referral | Passed | 731,127 | 566,168 |
| | Tobacco taxes for Health Plan | General | Initiative | Passed | 759,048 | 598,543 |
| | Counts non-voters as "no" votes | General | Initiative | Failed | 158,555 | 1,180,148 |
| | Cut and Cap property tax limit (M47) | General | Initiative | Passed | 704,554 | 642,613 |
| 1997 | Replace cut and cap (M50) | Primary | Leg. referral | Passed | 429,943 | 341,781 |
| 1998 | Authorize Lottery-backed school bonds (M54) | General | Leg. referral | Passed | 569,982 | 474,727 |
| | Dedicate 15% of Lottery to parks & salmon (M66) | General | Initiative | Passed | 742,038 | 362,247 |
| 1999 | Vehicle cost responsibility (M76) | Special | Leg. referral | Passed | 372,613 | 314,351 |
| 2000 | Transportation funding (M82) | Primary | Leg. referral | Failed | 109,741 | 767,329 |
| | Highway fund for State Police (M80) | Primary | Leg. referral | Failed | 310,640 | 559,941 |
| | Kicker Refunds in Constitution (M86) | General | Leg. referral | Passed | 898,793 | 550,304 |
| | Increases federal tax subtraction to \$5,000 (M88) | General | Leg. referral | Passed | 739,270 | 724,097 |
| | Full deduction for federal taxes (M91) | General | Initiative | Failed | 661,342 | 814,885 |
| | Voter approval for taxes and fees (M93) | General | Initiative | Failed | 581,186 | 865,091 |
| | Funding of school equity goals (M1) | General | Initiative | Passed | 940,223 | 477,461 |
| | Property value reduced by regulation (M7) | General | Initiative | Passed | Court Ruled Unconstitutional | |
| | State growth limit (M8) | General | Initiative | Failed | 608,090 | 789,699 |
| 2002 | Establishes Ed. Stability Fund and Transfers \$220 million | Primary | Leg. referral | Failed | 376,605 | 411,923 |
| | General Obligation Bond Financing for OHSU Research (M11) | Primary | Leg. referral | Passed | 589,869 | 190,226 |
| | Establishes Ed. Stability Fund and Transfers \$150 million (M19) | Special | Leg. referral | Passed | 496,815 | 306,440 |
| | Increases Cigarette Tax (M20) | Special | Leg. referral | Passed | 522,613 | 289,119 |
| | General Obligation Bond Financing for Ed. Buildings (M15) | General | Leg. referral | Passed | 624,789 | 505,797 |
| | General Obligation Bond Financing for Emergency Buildings (M16) | General | Leg. referral | Passed | 622,914 | 501,210 |
| | Allows Different Permanent Property Tax Rates Within Tax Zones (M18) | General | Leg. referral | Failed | 420,135 | 662,084 |
| | Tax Funded Universal Health Care (M23) | General | Initiative | Failed | 254,280 | 936,753 |
| 2003 | Personal Income Tax Rate Increase (Top Tax Rate to 9.5%) (M 28) | Special | Leg. referral | Failed | 545,846 | 676,312 |
| | Authorizes G O Debt for Savings on Pension Liabilities (M29) | Special | Leg. referral | Passed | 360,209 | 291,778 |
| 2004 | Temp Personal Income Tax increase & misc. tax changes (M30) | Special | Referendum | Failed | 481,315 | 691,462 |
| | Property value reduced by regulation (M37) | General | Initiative | Passed | 1,054,589 | 685,079 |
| 2006 | Allows Income Tax Deduction Equal to Federal Exemptions (M41) | General | Initiative | Failed | 483,443 | 818,452 |
| | Amends Constitution: Limits Biennial Increase in State Spending (M48) | General | Initiative | Failed | 379,971 | 923,629 |
| 2007 | Right To Build Homes; Limits Large Developments (M49) | Special | Leg. referral | Passed | 718,023 | 437,351 |
| | Dedicates Funds To Provide Health Care For Children, Fund Tobacco Prevention, Through Increased Tobacco Tax (M50) | Special | Leg. referral | Failed | 472,063 | 686,470 |
| 2008 | Eliminates double majority vote requirement for all May & November property tax elections (M56) | General | Leg. referral | Passed | 959,118 | 735,500 |
| | Creates An Unlimited Deduction For Federal Income Taxes On Individual Taxpayers' Oregon Income-Tax Returns(M59) | General | Initiative | Failed | 615,894 | 1,084,422 |
| | Exempts Specified Property Owners From Building Permit Requirements For Improvements Valued At/Under 35,000 Dollars (M63) | General | Initiative | Failed | 784,376 | 928,721 |

SECTION P - HISTORICAL TAX VOTES

| Year | Tax Change | Election | Proposed by | Outcome | Yes | No |
|------|--|----------|---------------|---------|-----------|-----------|
| 2009 | Allows state to issue bonds to match school capital bonds (M68) | Primary | Leg. referral | Passed | 498,073 | 267,052 |
| 2010 | Raises personal income tax rate for high income taxpayers (M66) | Special | Referendum | Passed | 692,687 | 583,707 |
| | Raises corp tax rates and establishes new corp minimum tax (M67) | Special | Referendum | Passed | 682,720 | 591,188 |
| | Authorizes Multnomah County casino (M75) | General | Initiative | Failed | 448,162 | 959,342 |
| | Continues Lottery dedication to parks & natural resources (M76) | General | Initiative | Passed | 972,825 | 432,552 |
| 2012 | Prohibits real estate transfer taxes, fees, other assessments (M79) | General | Initiative | Passed | 976,587 | 679,710 |
| | Authorizes establishment of privately owned casinos (M82) | General | Initiative | Failed | 485,240 | 1,226,331 |
| | Authorizes privately-owned Wood Village casino (M83) | General | Initiative | Failed | 500,123 | 1,207,508 |
| | Phases out existing inheritance taxes on large estates (M84) | General | Initiative | Failed | 776,143 | 912,541 |
| | Allocates corporate income/excise tax "kicker" refund to fund k-12 (M85) | General | Initiative | Passed | 1,007,122 | 672,586 |
| 2014 | Allows possession, manufacture, sale of marijuana by/to adults, subject to state licensing, regulation, taxation (M91) | General | Initiative | Passed | 847,865 | 663,346 |
| 2016 | Amends Constitution: Dedicates 1.5% of state lottery net proceeds to funding support services for Oregon | General | Leg. referral | Passed | 1,611,367 | 312,526 |
| | Increases corporate minimum tax when sales exceed \$25 million; funds education, healthcare, senior services (M97) | General | Initiative | Failed | 808,310 | 1,164,658 |
| | Creates "Outdoor School Education Fund," continuously funded though Lottery, to provide outdoor school | General | Initiative | Passed | 1,287,095 | 630,735 |
| 2018 | Approves Temporary Assessments to Fund Health Care for Low-Income Individuals and Families, and to Stabilize Health Insurance Premiums | Special | Initiative | Passed | 657,117 | 408,387 |
| | Amends Constitution: Allows local bonds for financing affordable housing with nongovernmental entities (M102) | General | Leg. referral | Passed | 1,037,922 | 786,225 |
| | Amends Constitution: Prohibits taxes/fees based on transactions for "groceries" (defined) enacted or amended after September 2017 (M103) | General | Initiative | Failed | 791,687 | 1,062,752 |
| | Amends Constitution: Expands (beyond taxes) application of requirement that three-fifths legislative majority approve bills raising revenue (M104) | General | Initiative | Failed | 631,211 | 1,182,023 |
| 2020 | Increases cigarette tax by \$2 per pack. Increases cap on cigar taxes to \$1 per cigar. Establishes tax on nicotine inhalant delivery systems, such as e-cigarettes and vaping products. Funds health programs (M108) | General | Leg. referral | Passed | 1,535,866 | 779,311 |
| | Creates a 15 percent retail sales tax on psilocybin products (M109) | General | Initiative | Passed | 1,270,057 | 1,008,199 |
| | Limits the distributions to the current uses of Marijuana revenue to \$45 million a year. Diverts the rest of the revenue to Addiction Recovery services. (M110) | General | Initiative | Passed | 1,333,268 | 947,313 |
| 2022 | No state tax votes | | | | | |
| 2024 | Increase Corporation minimum taxes and create an Oregon resident rebate payment program (M118) | General | Initiative | Failed | 476,095 | 1,637,138 |

SECTION Q - OTHER REPORTS AVAILABLE

This section lists some other reports prepared by the Legislative Revenue Office that you may find useful. The research report number follows each title in parentheses, along with the year in which the report was written. The more recent reports may be found at <https://www.oregonlegislature.gov/lro>

SUMMARY OF LEGISLATIVE SESSIONS AND COMMITTEE REPORTS

"Revenue Measures Passed by the 82nd Legislature - 2024 Session" (#3-24)
"Revenue Measures Passed by the 82nd Legislature - 2023 Session" (#4-23)
"Revenue Measures Passed by the 81st Legislature - 2022 Session" (#2-22)
"Revenue Measures Passed by the 81st Legislature - 2021 Session with 2020 Regular & Special Sessions" (#4-21)
"Revenue Measures Passed by the 80th Legislature - 2019 Session" (#3-19)
"Revenue Measures Passed by the 79th Legislature - 2018 Session and 2018 1st Special Session" (#2-18)
"Revenue Measures Passed by the 79th Legislature - 2017 Session" (#5-17)
"Revenue Measures Passed by the 78th Legislature - 2016 Session" (#2-16)
"Revenue Measures Passed by the 77th Legislature - 2015 Session" (#3-15)
"Revenue Measures Passed by the 77th Legislature - 2014 Session" (#2-14)
"2013 Special Session Summary Tax Policy Changes" (#4-13)
"Revenue Measures Passed by the 77th Legislature - 2013 Session" (#3-13)
"Revenue Measures Passed by the 76th Legislature - 2012 Session" (#3-12)
"Revenue Measures Passed by the 76th Legislature 2011" (#2-11)
"Revenue Measures Passed by the 75th Legislature- Feb 2010 Special Session" (#1-10)
"Revenue Measures Passed by the 75th Legislature 2009" (#5-09)
"Revenue Measures Passed by the 74th Legislature- Feb 2008 Special Session" (#1-08)
"Revenue Measures Passed by the 74th Legislature 2007" (#3-07)

ALL TAXES

"2024 Oregon Public Finance Basic Facts" (#1-24)
"2023 Oregon Public Finance Basic Facts" (#1-23)
"2022 Oregon Public Finance Basic Facts" (#1-22)
"2021 Oregon Public Finance Basic Facts" (#1-21)
"2020 Oregon Public Finance Basic Facts" (#1-20)
"Analysis of Options for Restructuring Oregon's State and Local Revenue System (HB 2171)" (#4-15)
Task Force on Comprehensive Revenue Restructuring: Final Report" (#2-09)

BALLOT MEASURES

"Ballot Measure 118: A Description and Analysis" (#7-24)
"Initiative Petition 17: A Description and Preliminary Analysis" (#4-24)
"Measure 108 - Tobacco Tax Increase" (#6-20)
"Measure 97 Description and Analysis" (#3-16)
"Measure 84" (#5-12)
"Measure 85" (#4-12)
"Measures 66 & 67" (#6-09)

“Measures 66 & 67 FAQ” (#7-09)
“Measure 59 Full Deductibility of Federal Income Taxes” (#2-08)
“Measure 50 Research Brief” (#5-07)
“Measure 41: Changing Oregon’s Treatment of Personal Exemptions” (#6-06)
“Measure 48: Proposed Constitutional Spending Limit” (#5-06)

INCOME TAXES

“Tax Treatment of Military Pension Income and Examination of Policy Proposals” (#2-24)
“Oregon Corporate Excise and Income Tax: 2023 Update” (#5-23)
“Oregon Income Tax Connection to Federal Law” (#5-20)
“Coronavirus Aid, Relief and Economic Security (CARES) Act (H.R. 748)” (#3-20)
“Interstate Broadcasters and Tax Policy in Oregon” (#4-19)
“An Assessment of Oregon’s Listed Jurisdiction Policy and its Cost Effectiveness” (#4-17)
“The American Recovery and Reinvestment Act of 2009” (#3-09)

PROPERTY TAX

“Review of Oregon’s Property Tax Exemption for Literary, Charitable and Scientific Institutions (#3-17)
“Oregon’s Property Tax System: Horizontal Inequities under Measure 50” (#4-10)
“Enterprise Zones Study” (#4-09)
“Oregon’s Property Tax System: Horizontal Inequities under Measure 50” (#4-10)
“2006 Oregon’s Enterprise Zone Programs” (#3-06)

TAX EXPENDITURES

“Tax Credit Review: 2025 Oregon Legislative Session” (#9-24)
“Property Tax Exemption Review: 2025 Oregon Legislative Session” (#8-24)
“Emergency Volunteer Tax Benefits” (#6-24)
“Tax Credit Review: 2023 Oregon Legislative Session” (#3-23)
“Tax Credit Review: 2021 Session” (#2-21)
“Tax Credit Review: 2019 Session” (#2-19)
“Tax Credit Review: 2017 Session” (#2-17)
“Tax Credit Review: 2015 Session” (#2-15)

SCHOOL FINANCE

“K-12 School Funding Equalization” (#5-24)
“K-12 and ESD School Finance: State School Fund Distribution” (#4-20)
“School Property Tax Rates” (#3-10)
“K-12 and ESD School Finance” (#2-10)
“2009 School Finance Legislation: Funding and Distribution” (#8-09)
“Small School District Funding” (#4-08)
“Student Weights for small Schools” (#3-08)
“2007 School Finance Legislation: Funding and Distribution” (#4-07)
“Student Weights: Individualized Education Program” (#7-06)
“K-12 and ESD School Finance: State School Fund Distribution” (#4-06)
“Student Weights: English as a Second Language” (#2-06)
“2005 School Finance Legislation, Funding and Distribution” (#3-05)

MISCELLANEOUS

- "Forest Products Harvest Tax" (#3-23)
- "Oregon Tax Expenditures: Definition and Automatic Sunset" (#3-21)
- "Corporate Activity Tax: Frequently Asked Questions" (#2-20)
- "Corporate Activity Tax: Frequently Asked Questions" (#2-20)
- "Updated Marijuana Tax Revenue Estimates" (#4-16)
- "HB 4146 Transient Lodging Tax Work Group report" (#5-16)
- "Economic and Emissions Impacts of a Clean Air Tax or Fee in Oregon (SB 306)" (#4-14)
- "The Revenue Impact of Marijuana Legalization under Measure 91" (#3-14)
- "Revenues from Timber in Oregon" (#2-13)
- "Taxation and Oregon's Interstate Competitiveness" (#6-12)
- "Estimating Potential Sales Tax Revenue in Curry County" (#2-12)
- "The American Recovery and Reinvestment Act of 2009: The Impact on Oregon" (#3-09)
- "Oregon's 2% Surplus Kicker" (#2-07)