

APPENDIX A: OREGON STATUTE REQUIRING TAX EXPENDITURE REPORT

68th OREGON LEGISLATIVE ASSEMBLY—1995 Regular Session

Oregon Laws 1995, Chapter 746

SECTION 61. Sections 62, 63, and 65 of this Act may be cited as the Budget Accountability Act.

SECTION 62. (1) The Legislative Assembly hereby declares that the ability to make fiscally sound and effective spending decisions has been enhanced by requiring agencies and programs to develop performance measures and to evaluate all General Fund, State Lottery Fund and other expenditures in accordance with these performance measures. Fiscal pressure on this state requires even greater accountability and necessitates a review of the fairness and efficiency of all tax deductions, tax exclusions, tax subtractions, tax exemptions, tax deferrals, preferential tax rates and tax credits. These types of tax expenditures are similar to direct government expenditures because they provide special benefits to favored individuals or businesses, and thus result in higher tax rates for all individuals.

(2) The Legislative Assembly further finds that 76 percent of property in this state is exempt from property taxation and that income tax expenditures total billions of dollars per biennium. An accurate and accountable state budget should reflect the true costs of tax expenditures and should fund only those tax expenditures that are effective and efficient uses of limited tax dollars.

(3) The Legislative Assembly declares that it is in the best interest of this state to have prepared a biennial report of tax expenditures that will allow the public and policy makers to identify and analyze tax expenditures and to periodically make criteria-based decisions on whether the expenditures should be continued. The tax expenditure report will allow tax expenditures to be debated in conjunction with on-line budgets and will result in the elimination of inefficient and inappropriate tax expenditures, resulting in greater accountability by state government and a

lowering of the tax burden on all taxpayers.

SECTION 63. As used in ORS 291.202 to 291.222, “tax expenditure” means any law of the Federal Government or this state that exempts, in whole or in part, certain persons, income, goods, services or property from the impact of established taxes, including but not limited to tax deductions, tax exclusions, tax subtractions, tax exemptions, tax deferrals, preferential tax rates and tax credits.

SECTION 64. ORS 291.202 is amended to read:

291.202. (1) Except as otherwise provided in ORS 291.222, the Governor shall prepare in each even-numbered year [*a budget report*] for the biennium beginning July 1 of the following year:

- (a) A budget report; and
- (b) A tax expenditure report.

(2) The Oregon Department of Administrative Services shall advise and assist the Governor in the preparation of the budget report and tax expenditure report and shall perform such duties in connection therewith as the Governor requires.

(3) The Department of Revenue shall advise and assist the Governor in the preparation of the tax expenditure report.

SECTION 65. (1) Not later than November 10 of each even-numbered year, the Governor shall cause the tax expenditure report to be compiled and prepared for printing.

(2) In the tax expenditure report, the Governor shall:

- (a) List each tax expenditure;
- (b) Identify the statutory authority for each tax expenditure;
- (c) Describe the purpose of each tax expenditure;

(d) Estimate the amount of revenue loss caused by each tax expenditure for the coming biennium;

(e) List the actual amount of revenue loss in the preceding biennium for each tax expenditure or an estimate if the actual amount cannot be determined;

(f) Determine whether each tax expenditure is the most fiscally effective means of achieving each purpose of the tax expenditure;

(g) Determine whether each tax expenditure has successfully achieved the purpose for which the tax expenditure was enacted and currently serves, including an analysis of the persons that are benefited by the expenditure; and

(h) Categorize each tax expenditure according to the programs or functions each tax expenditure supports.

SECTION 66. ORS 291.210 is amended to read:

291.210. (1) The Oregon Department of Administrative Services, in connection with its direct studies of the operations, plans and needs of state agencies and of the existing and prospective sources of income, shall prepare a tentative budget plan **and tentative tax expenditure report** for the two fiscal years for which a budget report [is] **and tax expenditure report** are required to be prepared.

(2) **The Department of Revenue shall advise and assist in the preparation of the tentative tax expenditure report.**

SECTION 67. ORS 291.214 is amended to read:

291.214. The Governor, during the preparation of the budget report and before its submission to the Legislative Assembly, shall:

(1)(a) Examine the budget forms filed by the various agencies [*The Governor*] **and** may make or cause to be made such further investigations by the Oregon Department of Administrative Services, with such hearings before the Governor or any state agency, as the Governor deems advisable, and may make such changes or revisions in policy and program and in specific details of the tentative budget report **or tentative tax expenditure report** as the Governor finds warranted ; **and** [.]

(b) Identify each tax expenditure that has a full or partial sunset that, if allowed to take effect, will have a fiscal impact on the state or on school districts for the next biennium, and shall prepare a recommendation as to each tax expenditure identified under this paragraph that indicates the Governor's opinion on whether the full or partial sunset of the tax expenditure should be allowed to take effect as scheduled or should be revised to a different date.

(2) As used in this section:

(a) "Full sunset" means any provision that completely eliminates an existing tax expenditure on a specified date.

(b) "Partial sunset" means any provision that reduces the amount of an existing tax expenditure or that alters the eligibility requirements for the expenditure as of a specified date.

SECTION 67a. **If Senate Bill 251 becomes law, section 19, chapter 610, Oregon Laws 1995 (Enrolled Senate Bill 251) (amending ORS 291.214), is repealed.**

SECTION 68. ORS 291.216 is amended to read:

291.216. (1) Not later than November 10 of each even-numbered year the Governor shall cause the budget report to be compiled and prepared for printing.

(2) The budget report shall include a budget message prepared by the Governor, including recommendations of the Governor with reference to the fiscal policy of the state government for the coming biennium, describing the important features of the budget plan, embracing a general budget summary setting forth the aggregate figures of the budget report so as to show a balanced relation between the total proposed expenditures and the total anticipated income, with the basis and factors on which the estimates are made, the amount to be borrowed, and other means of financing the estimated expenditures for the ensuing biennium, compared with the corresponding figures for at least the last completed biennium and the current biennium.

(3) The budget plan shall be supported by explanatory schedules or statements, classifying the expenditures reported therein, both past and proposed, by organization units, objects and funds, and the income by organization units, sources and

funds, and the proposed amount of new borrowing as well as proposed new tax or revenue sources, including a single comprehensive list of all proposed increases in fees, licenses and assessments assumed in the budget plan.

(4) The budget plan shall be submitted for all dedicated funds, as well as the state General Fund, and shall include the estimated amounts of federal and other aids or grants to state agencies or activities provided for any purpose whatever, together with estimated expenditures therefrom.

(5) The budget report shall embrace the detailed estimates of expenditures and revenues. It shall include statements of the bonded indebtedness of the state government, showing the actual amount of the debt service for at least the past biennium, and the estimated amount for the current biennium and the ensuing biennium, the debt authorized and unissued, the condition of the sinking funds and the borrowing capacity. **It shall contain the Governor's recommendations concerning tax expenditures identified under ORS 291.214.** It shall also contain any statements relative to the financial plan which the Governor may deem desirable or which may be required by the legislature.

(6) The budget plan shall use the estimated revenues under ORS 291.342 for the fiscal year in which the plan is submitted as the basis for total anticipated income under subsection (2) of this section, subject to such adjustment as may be necessary to reflect accurately projections for the next biennium.

(7) As supplemental information to the budget report, the Governor shall publish an existing level tentative budget plan for the two fiscal years for which the budget report is required. This summary budget shall reflect only existing revenues estimated under subsection (6) of this section; subject to such adjustment as may be necessary to reflect accurately projections for the next biennium. The supplemental information to the budget report shall be submitted at the same time as the budget report.

SECTION 69. ORS 291.218 is amended to read:

291.218. Except when the Governor under whose supervision the budget report [*has*] **and the tax expenditure report have** been prepared will be succeeded in office in January next following:

(1) The Oregon Department of Administrative Services shall have as many copies

of the approved budget report **and the tax expenditure report** printed as the Governor directs.

(2) Not later than December 1 of each even-numbered year, the Governor shall transmit a copy [*thereof*] **of each report** to each member of the legislature who is to serve during the next session.

(3) Upon request, the Governor shall distribute copies free of charge, under such regulations as the Governor may establish, to public libraries, schools and state officials. The Governor shall make copies available to the general public at a reasonable charge for each copy.

SECTION 70. ORS 291.220 is amended to read:

291.220. The Governor, upon request, shall furnish the Legislative Assembly any further information required concerning the budget report **and the tax expenditure report**. The Oregon Department of Administrative Services, upon request, shall furnish a representative to assist the Legislative Assembly, its Joint Committee on Ways and Means, appointed under ORS 171.555, and the Legislative Revenue Officer in the consideration of the budget report, **the tax expenditure report** and any accompanying measures.

SECTION 71. ORS 291.222 is amended to read:

291.222. If the Governor under whose supervision the budget report **and tax expenditure report have** [*has*] been prepared will be succeeded in office in January next following:

(1) The Oregon Department of Administrative Services shall make available to the Governor-elect so much as the Governor-elect requests of the information upon which the tentative budget report **and tentative tax expenditure report are** [*is*] based, and upon completion of [*the tentative budget*] **each report** shall supply the Governor-elect with a copy [*thereof*] **of each report** but shall not cause the tentative budget report **or tentative tax expenditure report** to be printed and distributed. The department shall also make available to the Governor-elect all facilities of the department reasonably necessary to permit the Governor-elect to review and become familiar with the tentative

budget report or tentative tax expenditure report.

(2) After a review of the tentative budget report or tentative tax expenditure report the Governor-elect may prepare revisions and additions thereto. The **Oregon Department of Administrative Services and the Department of Revenue** shall assist, upon request, in the preparation of such revisions or additions.

(3) The **Oregon Department of Administrative Services** shall have **printed** as many copies of the revised budget report [*printed*] and revised tax expenditure report as the Governor-elect requests.

(4) (a) Not later than the convening of the next Legislative Assembly the **Oregon Department of Administrative Services** shall transmit a copy of a summary of the revised budget report containing the revenue and expenditure recommendations of the Governor-elect and a **summary of the revised tax expenditure report estimating the amount of revenue loss caused by each tax expenditure.**

(b) Not later than February 1, the **Oregon Department of Administrative Services** shall transmit a copy of the revised budget report and revised tax expenditure report to each member of the Legislative Assembly.

(5) Upon request, the department shall distribute copies of the revised budget report and revised tax expenditure report free of charge, under such regulations as it may establish, to public libraries, schools and state officials. It shall make copies of the revised budget report and revised tax expenditure report available to the general public at a reasonable charge for each copy.

SECTION 72. ORS 173.820 is amended to read:

173.820. Pursuant to policies and directions of the appointing authority, the Legislative Revenue Officer shall:

(1) Upon written request of a member of the Legislative Assembly or any committee thereof, prepare or assist in the preparation of studies and reports and provide information and research assistance on matters relating to taxation and to the revenue of this state and to any other relevant matters.

(2) (a) Ascertain facts concerning revenues and make estimates concerning state revenues ; and [.]

(b) Ascertain facts and make recommendations to the Legislative Assembly concerning the Governor's tax expenditure report.

(3) Prepare analyses of and recommendations on the fiscal impact of all revenue measures before the Legislative Assembly and of all other measures affecting the revenue of this state.

(4) Perform such duties as may be directed by joint or concurrent resolution of the Legislative Assembly.

(5) Adopt rules relating to the submission, processing and priorities of requests. Rules adopted under this subsection shall be in conformance with any applicable rule of the House of Representatives or the Senate. Requests made by joint or concurrent resolution of the Legislative Assembly shall be given priority over other requests received or initiated by the Legislative Revenue Officer. Rules adopted under this subsection shall be reviewed and approved by the appointing authority prior to their adoption.

(6) Seek the advice and assistance of political subdivisions of this state, governmental agencies and any interested persons, associations or organizations in the performance of the duties of the Legislative Revenue Officer.

(7) Enter into such contracts as considered necessary by the appointing authority to carry out the functions of the Legislative Revenue Officer.

(8) Perform such other duties as may be prescribed by law.

SECTION 73. ORS 176.110 is amended to read:

176.110. (1) The person elected to the office of Governor may take any action prior to the date the official term of office commences that is necessary to enable the Governor to exercise on such date the powers and duties of the office of Governor.

(2) The Governor-elect shall cause the budget report and the tax expenditure report for the biennium beginning July 1 of the year in which the Governor takes office to be compiled and prepared for printing as required in ORS 291.222.

(3) All necessary expenses of the Governor-elect incurred in carrying out the provisions of this section shall be audited by the Secretary of State and paid from any funds appropriated for this purpose in the same manner as other claims against the state are paid.

SECTION 74. Sections 63 and 65 of this Act are added to and made a part of ORS 291.202 to 291.222.

SECTION 75. If Senate Bill 719 becomes law, sections 61 to 74 of this Act are repealed.

Approved by the Governor July 19, 1995
Filed in the office of Secretary of State July 21, 1995
Effective date September 9, 1995

APPENDIX B: CONTRIBUTORS

This report was developed by the following members of the Department of Revenue Research Section, with assistance from numerous Department of Revenue and other state agency personnel:

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The following agencies evaluated the effectiveness of the tax expenditures and provided other important information:

| | |
|---|---|
| Agriculture, Department of | Senior and People with Disabilities |
| Aviation, Department of | Land Conservation and Development, Dept. of |
| Budget and Management Division | Library, Oregon State |
| Consumer and Business Services, Department of | Liquor Control Commission, Oregon |
| Economic and Community Development Department | Military Department, Oregon |
| Education, Department of | Oregon Health Plan Policy and Research |
| Employment Department | Oregon Lottery |
| Energy, Department of | Oregon University System |
| Environmental Quality, Department of | Public Utility Commission of Oregon |
| Oregon Film and Video | Parks and Recreation Department |
| Fish and Wildlife, Department of | Rural Health, Office of |
| Forestry Department, Department of | Secretary of State, Oregon |
| Geology and Mineral Industries, Department of | State Lands, Department of |
| Housing and Community Services, Oregon | Transportation, Oregon Department of |
| Human Services, Department of | Veterans' Affairs, Department of |
| Children, Adults, and Families | |

APPENDIX C: TAX PROGRAMS WITHOUT TAX EXPENDITURES

Amusement Device Tax

Real Estate Recording Tax

APPENDIX D: NEW, MODIFIED, OR EXPIRED TAX EXPENDITURES

This appendix contains a list of tax expenditures that have been created, modified or removed since the publication of the *2007–09 Tax Expenditure Report*. Although most of the tax expenditures reflected here were created or changed during Oregon’s 2007 Legislative session, a small number are on this list because the Department has changed its interpretation of whether certain provisions represent tax expenditures or because they were included or excluded from the previous publication in error. The *2007–09 Tax Expenditure Report* provides descriptions of the removed items.

The following table does not include the creation, modification, or expiration of expenditures that result from Oregon’s connection to the federal definition of taxable income.

NEW TAX EXPENDITURES

| | | | |
|--------|------------------------------|-------------|--|
| 1.314 | Income | Subtraction | Payments for Closure of Manufactured Dwelling Park |
| 1.316 | Income | Subtraction | Film Production Labor Rebate |
| 1.324 | Income | Subtraction | Legislative Per Diem and Allowance |
| 1.327 | Income | Subtraction | TRICARE Payments |
| 1.422 | Income | Credit | Small Corporation Tax Credit |
| 1.434 | Income | Credit | Mobile Home Park Closure |
| 1.443 | Income | Credit | Diesel Truck Engines (Retrofit and Repower) |
| 1.450 | Income | Credit | Biofuel Consumer Credit |
| 1.451 | Income | Credit | Biodiesel Used in Home Heating |
| 1.452 | Income | Credit | Production or Collection of Biomass |
| 1.463 | Income | Credit | TRICARE Health Care Providers |
| 1.464 | Income | Credit | Oregon Veterans' Home Physician |
| 2.030 | Property | Full | Businesses Transferring or Leasing Property |
| 2.059 | Property | Full | Natural Gas Pipeline Extension |
| 2.122 | Property | Special | Conservation Easements |
| 16.002 | Lodging | Exclusion | Federal Employees on Federal Business |
| 17.001 | Local Construction Tax | Exclusion | Exempt Construction |
| 18.001 | Inheritance | Credit | Natural Resource and Fishing Property |

MODIFIED TAX EXPENDITURES

| | | | |
|-------|--------|-------------|---|
| 1.302 | Income | Subtraction | Oregon 529 College Savings Network |
| 1.309 | Income | Subtraction | Municipal Bond Interest |
| 1.310 | Income | Subtraction | Small City Business Development |
| 1.311 | Income | Subtraction | Individual Development Accounts (Exclusion and Subtraction) |
| 1.313 | Income | Subtraction | Capital Gains from Manufactured Dwelling Park Sale |
| 1.326 | Income | Subtraction | Military Active Duty Pay |
| 1.404 | Income | Credit | Earned Income Credit |
| 1.414 | Income | Credit | Film Production Development Contributions |
| 1.421 | Income | Credit | Public University Venture Development Fund |
| 1.424 | Income | Credit | Working Family Child Care |
| 1.428 | Income | Credit | Child Care Division Contributions |
| 1.431 | Income | Credit | Oregon Affordable Housing Lender's Credit |
| 1.432 | Income | Credit | Individual Development Account Contribution (Credit) |
| 1.442 | Income | Credit | Diesel Truck Engines (New) |
| 1.444 | Income | Credit | Fish Screening Devices |
| 1.445 | Income | Credit | Alternative Energy Devices (Residential) |
| 1.447 | Income | Credit | Business Energy Facilities |
| 1.453 | Income | Credit | Reforestation |
| 1.460 | Income | Credit | Personal Exemption |

Appendix D

| | | | |
|--------|----------------------------------|-----------|---|
| 1.503 | Income | Other | Single Sales Factor Corporate Apportionment |
| 2.010 | Property | Full | Enterprise Zone Businesses |
| 2.011 | Property | Full | Long-Term Rural Enterprise Zone (Property Tax) |
| 2.013 | Property | Full | Rural Renewable Energy Development Zone |
| 2.024 | Property | Full | Federal Land Under Summer Homes |
| 2.031 | Property | Full | Food Processing Equipment |
| 2.076 | Property | Full | Charitable, Literary, and Scientific Organizations |
| 2.080 | Property | Full | Exempt Lease from Taxable Owner |
| 2.094 | Property | Partial | Rehabilitated Housing |
| 2.103 | Property | Partial | Alternative Energy Systems |
| 2.105 | Property | Partial | Historic Property |
| 2.110 | Property | Partial | Homestead Exemption for Federal Active Duty Military Servicemembers |
| 2.123 | Property | Other | Destroyed or Damaged Property |
| 8.001 | 911 Emergency Communications Tax | Exclusion | State and Local Subscribers |
| 8.002 | 911 Emergency Communications Tax | Exclusion | Federal Subscribers |
| 8.003 | 911 Emergency Communications Tax | Exclusion | Indian Reservation Subscribers |
| 9.001 | Forest Products Harvest | Exclusion | First 25,000 Board Feet |
| 15.001 | Medical Provider | Exclusion | Type A and B Hospitals |
| 15.002 | Medical Provider | Exclusion | Veterans Affairs and Pediatric Specialty Hospitals |
| 15.003 | Medical Provider | Exclusion | Oregon Veterans' Home |
| 15.004 | Medical Provider | Exclusion | Nursing Facilities |
| 17.001 | Local Construction Tax | Exclusion | Exempt Construction |
| 18.001 | Inheritance | Credit | Natural Resource and Fishing Property |

REMOVED TAX EXPENDITURES

| | | | |
|----------|-------------|--|-------------------------------|
| Income | Subtraction | Domestic Partner Benefits | Tax base redefined |
| Income | Credit | Involuntary Manufactured Dwelling Moves | Statute Repealed |
| Income | Credit | Oregon Capital Corporation Investments | Statute Repealed |
| Property | Full | Centrally Assessed Electricity Generating Facility in an Enterprise Zone | Expired |
| Property | Full | Transfer of Land from Cemetery to School | Previously included in error. |

APPENDIX E: PERSONAL AND CORPORATION INCOME TAX EXPENDITURES

Personal Income Tax Expenditures

| Tax Expenditure | Program or Function | Year Enacted | Oregon Statute | Revenue Impact (\$ Thousands) | | |
|---------------------------|--|-----------------------------------|-------------------|----------------------------------|--------------|--------------|
| | | | | 2007–09 | 2009–11 | |
| <i>Federal Exclusions</i> | | | | | | |
| 1.001 | Scholarship and Fellowship Income | Education | 1954 | 316.048 | 13,200 | 14,700 |
| 1.002 | Interest on Education Savings Bonds | Education | 1988 | 316.048 | Less than 50 | Less than 50 |
| 1.003 | Earnings on Education Savings Accounts | Education | 1997 | 316.048 | 800 | 800 |
| 1.004 | Qualified Tuition Programs (Federal) | Education | 1996 | 316.048 | 5,800 | 8,100 |
| 1.005 | Public Assistance Benefits | Human Services | Pre-1955 | 316.048 | 19,400 | 20,800 |
| 1.006 | Certain Foster Care Payments | Human Services | 1982 | 316.048 | 5,200 | 6,000 |
| 1.007 | Employee Adoption Benefits | Human Services | 1996 | 316.048 | 100 | 100 |
| 1.008 | Cafeteria Plan Benefits | Human Services | 1974 | 316.048 | 292,200 | 359,000 |
| 1.009 | Employer Paid Medical Benefits | Human Services | 1918 | 316.048 | 1,009,800 | 1,190,700 |
| 1.010 | Compensatory Damages | Human Services | Pre-1955 | 316.048 | 11,300 | 11,600 |
| 1.011 | Prescription Drug Insurance (Part D) | Human Services | 2003 | 316.048/317.013 | 37,900 | 46,900 |
| 1.012 | Hospital Insurance (Part A) | Human Services | 1965 | 316.048 | 192,200 | 234,500 |
| 1.013 | Supplementary Medical Insurance (Part B) | Human Services | 1970 | 316.048 | 136,300 | 161,800 |
| 1.014 | Pension Contributions and Earnings | Human Services | 1921 | 316.048 | 868,500 | 983,400 |
| 1.015 | Special Benefits for Disabled Coal Miners | Human Services | 1969 | 316.048 | Less than 50 | Less than 50 |
| 1.016 | Social Security Benefits (Federal) | Human Services | 1938 | 316.048 | 431,300 | 481,700 |
| 1.017 | Income Earned Abroad by U.S. Citizens | Economic/Community | 1926 | 316.048 | 30,400 | 33,700 |
| 1.018 | Magazine, Paperback, and Record Returns | Economic/Community | 1978 | 316.048/317.013 | 200 | 200 |
| 1.019 | Cash Accounting, Other than Agriculture | Economic/Community | 1916 | 316.048/317.013 | 6,300 | 7,100 |
| 1.020 | Regional Economic Development Incentives | Economic/Community | 1993 | 316.048/317.013 | 0 | 0 |
| 1.023 | Cancellation of Debt for Non-Farmers | Economic/Community | Pre-1955 | 316.048/317.013 | 1,300 | 1,500 |
| 1.024 | Imputed Interest Rules | Economic/Community | 1964 | 316.048/317.013 | 3,000 | 3,700 |
| 1.025 | Employer Paid Group Life Insurance Premiums | Economic/Community | 1920 | 316.048 | 22,400 | 23,300 |
| 1.026 | Employer Paid Accident and Disability Insurance | Economic/Community | 1954 | 316.048 | 24,900 | 27,600 |
| 1.027 | Employer Provided Dependent Care | Economic/Community | 1981 | 316.048 | 22,500 | 21,700 |
| 1.028 | Miscellaneous Fringe Benefits | Economic/Community | 1984 | 316.048 | 59,700 | 67,400 |
| 1.029 | Employee Meals and Lodging (Non- Military) | Economic/Community | 1918 | 316.048 | 8,000 | 8,600 |
| 1.030 | Employee Stock Ownership Plans | Economic/Community | 1974 | 316.048/317.013 | 7,200 | 8,300 |
| 1.031 | Employee Awards | Economic/Community | 1986 | 316.048 | 1,500 | 1,600 |
| 1.032 | Employer Provided Education Benefits | Economic/Community | 1997 | 316.048 | 7,100 | 5,500 |
| 1.033 | Spread on Acquisition of Stock | Economic/Community | 1981 | 316.048 | 2,700 | 1,900 |
| 1.034 | Capital Gains on Home Sales | Economic/Community | 1997 | 316.048 | 317,000 | 353,100 |
| 1.035 | Veteran's Benefits and Services | Economic/Community | 1917 | 316.048 | 38,000 | 41,700 |
| 1.036 | Military and Dependents CHAMPUS/TRICARE Insurance | Economic/Community | 1925 | 316.048 | 32,700 | 38,700 |
| 1.037 | Agriculture Cost-Sharing Payments | Natural Resources | 1978 | 316.048/317.013 | 200 | 200 |
| 1.038 | Cancellation of Debt for Farmers | Natural Resources | 1986 | 316.048 | 1,100 | 1,100 |
| 1.039 | Energy Conservation Subsidies (Federal) | Natural Resources | 1992 | 316.048 | 200 | 200 |
| 1.041 | Employer Paid Transportation Benefits | Transportation | 1992 | 316.048 | 31,500 | 33,400 |
| 1.042 | Life Insurance Investment Income | Consumer and Business Services | 1913 | 316.048/317.013 | 213,900 | 226,800 |
| 1.043 | Workers' Compensation Benefits (Non- Medical) | Consumer and Business Services | 1918 | 316.048 | 22,900 | 24,300 |
| 1.044 | Workers' Compensation Benefits (Medical) | Consumer and Business Services | 1918 | 316.048 | 70,500 | 83,900 |

Appendix E

Personal Income Tax Expenditures

| Tax Expenditure | Program or Function | Year Enacted | Oregon Statute | Revenue Impact (\$ Thousands) | | |
|----------------------------|--|--------------------------------|----------------|----------------------------------|--------------|--------------|
| | | | | 2007–09 | 2009–11 | |
| 1.048 | Certain Disaster Mitigation Payments. | Consumer and Business Services | 2005 | 316.048/317.013 | Less than 50 | Less than 50 |
| 1.049 | Gain on Nondealer Installment Sales | Tax Administration | 1921 | 316.048/317.013 | 15,300 | 8,900 |
| 1.050 | Gain on Like-Kind Exchanges | Tax Administration | 1921 | 316.048/317.013 | 21,900 | 22,600 |
| 1.051 | Allowances for Federal Employees Abroad | Government | 1943 | 316.048 | 4,700 | 5,300 |
| 1.052 | Interest on Oregon State and Local Debt | Government | 1913 | 316.048 | 78,700 | 87,000 |
| 1.053 | Capital Gains on Inherited Property | Social Policy | 1921 | 316.048 | 741,400 | 796,800 |
| 1.054 | Gain on Involuntary Conversions in Disaster Areas | Social Policy | 1996 | 316.048 | Less than 50 | Less than 50 |
| 1.055 | Voluntary Employees' Beneficiary Associations | Social Policy | 1928 | 316.048 | 15,300 | 16,200 |
| 1.056 | Rental Allowances for Ministers' Homes | Social Policy | 1921 | 316.048 | 4,500 | 5,200 |
| 1.057 | Discharge of Certain Student Loan Debt | Social Policy | 1984 | 316.048 | 200 | 200 |
| 1.058 | Military Disability Benefits | Social Policy | 1942 | 316.048 | 800 | 800 |
| 1.059 | Benefits and Allowances of Armed Forces Personnel | Social Policy | 1925 | 316.048 | 26,600 | 29,600 |
| 1.060 | Capital Gains on Gifts | Social Policy | 1921 | 316.048 | 77,600 | 82,200 |
| 1.061 | Restitution Payments for Holocaust Survivors | Social Policy | 2001 | 316.048 | Less than 50 | Less than 50 |
| 1.062 | Survivor Annuities | Social Policy | 1997 | 316.048 | 200 | 200 |
| <i>Federal Adjustments</i> | | | | | | |
| 1.101 | Teacher Classroom Expenses | Education | 2002 | 316.048 | 1,600 | 1,400 |
| 1.102 | Interest on Student Loans | Education | 1997 | 316.048 | 20,700 | 23,300 |
| 1.103 | Qualified Higher Education Expenses | Education | 2001 | 316.048 | 19,000 | 15,100 |
| 1.104 | Self-Employment Health Insurance | Human Services | 1986 | 316.048 | 84,800 | 106,900 |
| 1.105 | Health Savings Accounts | Human Services | 1996 | 316.048 | 5,100 | 9,900 |
| 1.106 | IRA Contributions and Earnings | Human Services | 1974 | 316.048 | 130,400 | 159,000 |
| 1.107 | SEP/SIMPLE Plan Contributions and Earnings | Human Services | 1962 | 316.048 | 73,700 | 93,600 |
| 1.108 | Moving Expenses | Economic/Community | 1964 | 316.048 | 4,900 | 5,300 |
| 1.109 | Overnight-travel Expenses of National Guard and Reserve Members | Social Policy | 2003 | 316.048 | 200 | 400 |
| <i>Federal Deductions</i> | | | | | | |
| 1.201 | Charitable Contributions: Education | Education | 1917 | 316.695/317.013 | 52,400 | 57,600 |
| 1.202 | Charitable Contributions: Health | Human Services | 1917 | 316.695/317.013 | 39,000 | 41,400 |
| 1.203 | Medical and Dental Expenses | Human Services | 1942 | 316.695 | 175,800 | 228,700 |
| 1.204 | Removal of Architectural Barriers | Human Services | 1976 | 316.048/317.013 | Less than 50 | Less than 50 |
| 1.205 | Accelerated Depreciation of Buildings | Economic/Community | 1954 | 316.048/317.013 | 8,200 | 8,400 |
| 1.206 | Accelerated Depreciation of Equipment | Economic/Community | 1954 | 316.048/317.013 | 119,800 | 106,200 |
| 1.209 | Section 179 Expensing Allowances | Economic/Community | 1959 | 316.048/317.013 | 21,400 | 6,100 |
| 1.210 | Amortization of Business Start-Up Costs | Economic/Community | 1980 | 316.048/317.013 | 5,900 | 6,700 |
| 1.212 | Ordinary Treatment of Losses from Small Business Corporation Stock | Economic/Community | 1958 | 316.048 | Less than 50 | Less than 50 |
| 1.213 | Renewal Community Tax Incentives | Economic/Community | 2000 | 316.048/317.013 | 0 | 0 |
| 1.215 | Accelerated Depreciation of Rental Housing | Economic/Community | 1954 | 316.048/317.013 | 36,100 | 44,900 |
| 1.216 | Property Taxes | Economic/Community | 1913 | 316.695 | 296,600 | 323,500 |
| 1.217 | Home Mortgage Interest | Economic/Community | 1913 | 316.695 | 884,500 | 905,100 |
| 1.218 | Cash Accounting for Agriculture | Natural Resources | 1916 | 316.048/317.013 | 100 | 100 |

Personal Income Tax Expenditures

| Tax Expenditure | Program or Function | Year Enacted | Oregon Statute | Revenue Impact (\$ Thousands) | |
|---|---------------------|--------------|-------------------|----------------------------------|---------------|
| | | | | 2007–09 | 2009–11 |
| 1.219 Soil and Water Conservation Expenditures | Natural Resources | 1954 | 316.048/317.013 | 400 | 600 |
| 1.220 Fertilizer and Soil Conditioner Costs | Natural Resources | 1960 | 316.048/317.013 | 1,300 | 1,100 |
| 1.221 Costs of Raising Dairy and Breeding Cattle | Natural Resources | 1916 | 316.048/317.013 | 1,100 | 1,100 |
| 1.222 Sale of Stock to Farmers' Cooperatives | Natural Resources | 1998 | 316.048/317.013 | Less than 50 | Less than 50 |
| 1.224 Intangible Development Costs for Fuels | Natural Resources | 1978 | 316.695/317.013 | 1,700 | 1,100 |
| 1.225 Depletion Costs for Fuels | Natural Resources | 1962 | 316.695/317.013 | 2,800 | 2,900 |
| 1.226 Tertiary Injectants | Natural Resources | 1980 | 316.695/317.013 | Less than 50 | Less than 50 |
| 1.228 Expensing Timber Growing Costs | Natural Resources | 1986 | 316.048/317.013 | 1,100 | 1,100 |
| 1.229 Expensing and Amortization of Reforestation Costs | Natural Resources | 1980 | 316.048/317.013 | 1,100 | 1,100 |
| 1.230 Development Costs for Nonfuel Minerals | Natural Resources | 1951 | 316.048/317.013 | 200 | 200 |
| 1.231 Depletion Costs for Nonfuel Minerals | Natural Resources | 1913 | 316.048/317.374 | 600 | 600 |
| 1.232 Mining Reclamation Reserves | Natural Resources | 1984 | 316.048/317.013 | 100 | 100 |
| 1.233 Energy Efficient Commercial Property | Natural Resources | 2006 | 316.048/317.013 | 900 | 1,100 |
| 1.234 Advanced Mine Safety Equipment | Natural Resources | 2006 | 316.048/317.014 | Less than 50 | Less than 50 |
| 1.235 Redevelopment Costs in Contaminated Areas | Natural Resources | 1997 | 316.048/317.013 | 1,700 | 200 |
| 1.239 Magazine Circulation Expenditures | Tax Administration | 1950 | 316.048/317.013 | 100 | 100 |
| 1.241 Completed Contract Rules | Tax Administration | 1986 | 316.048/317.013 | 1,900 | 2,600 |
| 1.242 Casualty and Theft Losses | Social Policy | 1913 | 316.695 | 2,000 | 1,800 |
| 1.243 Local Income Taxes | Social Policy | 1913 | 316.695 | 0 | 0 |
| 1.244 Charitable Contributions: Other | Social Policy | 1917 | 316.695/317.013 | 267,400 | 293,300 |
| 1.245 Creation or Acquisition of Musical Compositions | Social Policy | 2005 | 316.048/317.013 | Less than 50 | Less than 50 |
| <i>Oregon Subtractions</i> | | | | | |
| 1.301 Land Donated to Schools | Education | 1999 | 316.852/317.488 | Less than 50 | Less than 50 |
| 1.302 Oregon 529 College Savings Network | Education | 1999 | 316.699 | 8,500 | 10,500 |
| 1.303 Scholarship Awards Used for Housing Expenses | Education | 1999 | 316.846 | 400 | 400 |
| 1.304 Physicians in "Medically Disadvantaged" Areas | Human Services | 1973 | 316.076 | 0 | 0 |
| 1.305 Additional Deduction for Elderly or Blind | Human Services | 1989 | 316.695(7) | 9,100 | 8,800 |
| 1.306 Additional Medical Deduction for Elderly | Human Services | 1991 | 316.695 (1)(d)(B) | 107,100 | 127,000 |
| 1.307 Social Security Benefits (Oregon) | Human Services | 1985 | 316.054 | 330,300 | 356,600 |
| 1.308 Donations of Art by the Artist | Economic/Community | 1979 | 316.838 | 100 | 100 |
| 1.309 Municipal Bond Interest | Economic/Community | 1987 | 316.056 | 200 | 200 |
| 1.310 Small City Business Development | Economic/Community | 2001 | 316.778/317.391 | 100 | 200 |
| 1.311 Individual Development Accounts (Exclusion and Subtraction) | Economic/Community | 1999 | 316.848 | Less than 50 | Less than 50 |
| 1.313 Capital Gains from Manufactured Dwelling Park Sale | Economic/Community | 2005 | 316.153 | Less than 50 | Less than 50 |
| 1.314 Payments for Closure of Manufactured Dwelling Park | Economic/Community | 2007 | 316.795/317.092 | 200 | 200 |
| 1.315 Service in Vietnam on Missing Status | Economic/Community | 1973 | 316.074 | 0 | 0 |
| 1.316 Film Production Labor Rebate | Economic/Community | 2005 | 316.698/317.394 | 100 | 100 |
| 1.317 Underground Storage Tank Grants | Natural Resources | 1991 | 316.834/317.383 | 0 | 0 |
| 1.318 Energy Conservation Subsidies (Oregon) | Natural Resources | 1981 | 316.744/317.386 | Less than 50 | Less than 50 |
| 1.320 Income Earned in Border River Areas | Tax Administration | 2001 | 316.127 | Not Available | Not Available |
| 1.321 Oregon State Lottery Prizes | Government | 1985 | 461.560 | 2,100 | 2,100 |
| 1.322 Income Earned in "Indian Country" | Government | 1977 | 316.777 | 4,100 | 4,600 |

Appendix E

Personal Income Tax Expenditures

| Tax Expenditure | Program or Function | Year Enacted | Oregon Statute | Revenue Impact (\$ Thousands) | |
|--|---------------------|--------------|--|----------------------------------|---------|
| | | | | 2007–09 | 2009–11 |
| 1.323 Federal Pension Income | Government | 1998 | 316.680(1)(f) | 124,000 | 126,600 |
| 1.324 Legislative Per Diem and Allowance | Government | 1967 | 171.072 | 100 | 100 |
| 1.325 Federal Income Tax Deduction | Social Policy | 1929 | 316.680(1)(b)/316.695 | 649,400 | 749,200 |
| 1.326 Military Active Duty Pay | Social Policy | 1969 | 316.680(1)(c) and (k)/316.789/316.791 | 29,300 | 36,500 |
| 1.327 TRICARE Payments | Social Policy | 2007 | 316.680 | 800 | 1,900 |
| 1.328 Interest and Dividends on U.S. Obligations | Federal Law | 1970 | 316.680 | 52,300 | 59,400 |

Oregon Credits

| | | | | | |
|--|--------------------|------|---|----------------|----------------|
| 1.401 Youth Apprenticeship Sponsorship | Education | 1991 | 315.254 | 0 | 0 |
| 1.403 Employer Provided Scholarships | Education | 2001 | 315.237 | Less than 50 | Less than 50 |
| 1.404 Earned Income Credit | Human Services | 1997 | 315.266 | 48,100 | 55,600 |
| 1.405 Qualified Adoption Expense | Human Services | 1999 | 315.274 | Less than 50 | Less than 50 |
| 1.406 Rural Medical Practice | Human Services | 1989 | 315.613/315.616/315.619 | 13,300 | 13,000 |
| 1.407 Volunteer Rural Emergency Medical Technicians | Human Services | 2005 | 315.622 | 300 | 200 |
| 1.408 Costs in-lieu of Nursing Home Care | Human Services | 1979 | 316.148 | Less than 50 | Less than 50 |
| 1.409 Long-Term Care Insurance | Human Services | 1999 | 315.610 | 13,700 | 15,200 |
| 1.410 Disabled Child | Human Services | 1985 | 316.099 | 5,900 | 7,000 |
| 1.411 Elderly or Permanently Disabled | Human Services | 1969 | 316.087 | 100 | 100 |
| 1.412 Loss of Limbs | Human Services | 1973 | 316.079 | Less than 50 | Less than 50 |
| 1.413 Severe Disability | Human Services | 1985 | 316.758/316.765 | 7,100 | 8,100 |
| 1.414 Film Production Development Contributions | Economic/Community | 2003 | 315.514 | 7,900 | 10,000 |
| 1.417 Long-term Rural Enterprise Zone (Income Tax) | Economic/Community | 1997 | 317.124 | Not Available | Not Available |
| 1.418 Reservation Enterprise Zone (Income Tax) | Economic/Community | 2001 | 285C.309 | Less than 50 | Less than 50 |
| 1.419 Electronic Commerce Enterprise Zone (Income Tax) | Economic/Community | 2001 | 315.507 | 1,100 | 1,200 |
| 1.420 Water Transit Vessel Manufacturing | Economic/Community | 2005 | 315.517 | Less than 50 | Less than 50 |
| 1.421 Public University Venture Development Fund | Economic/Community | 2005 | 315.521 | 500 | 600 |
| 1.423 Child and Dependent Care | Economic/Community | 1975 | 316.078 | 17,400 | 16,900 |
| 1.424 Working Family Child Care | Economic/Community | 1997 | 315.262 | 44,000 | 44,700 |
| 1.425 Employer Provided Dependent Care Assistance | Economic/Community | 1987 | 315.204 | 1,900 | 1,900 |
| 1.426 Employer Provided Dependent Care Facilities | Economic/Community | 1987 | 315.208 | Incl. in 1.425 | Incl. in 1.425 |
| 1.427 First Break Program | Economic/Community | 1995 | 315.259 | Less than 50 | Less than 50 |
| 1.428 Child Care Division Contributions | Economic/Community | 2001 | 315.213 | 1,000 | 1,000 |
| 1.429 Farmworker Housing Construction | Economic/Community | 1989 | 315.164 | 2,100 | 2,200 |
| 1.432 Individual Development Account Contribution (Credit) | Economic/Community | 1999 | 315.271 | 10,300 | 13,000 |
| 1.433 Individual Development Account Withdrawal (Credit) | Economic/Community | 2005 | 315.272 | Less than 50 | Less than 50 |
| 1.434 Mobile Home Park Closure | Economic/Community | 2007 | Note: 316.116/OR Laws 2007, Chap 906, Sect. 16-18 | 2,000 | 2,000 |
| 1.435 Crop Gleaning | Natural Resources | 1977 | 315.156 | 200 | 200 |
| 1.436 Alternatives to Field Burning | Natural Resources | 1975 | 315.304 | 200 | Less than 50 |
| 1.437 Farm Machinery and Equipment (Income Tax) | Natural Resources | 2001 | 315.119/315.123 | Less than 50 | Less than 50 |

Personal Income Tax Expenditures

| Tax Expenditure | Program or Function | Year Enacted | Oregon Statute | Revenue Impact (\$ Thousands) | |
|---|---------------------|--------------|-----------------|----------------------------------|--------------|
| | | | | 2007–09 | 2009–11 |
| 1.438 Riparian Lands Removed from Farm Production | Natural Resources | 2001 | 315.113 | Less than 50 | Less than 50 |
| 1.439 Pollution Prevention | Natural Resources | 1995 | 315.311 | Less than 50 | 0 |
| 1.440 Pollution Control | Natural Resources | 1967 | 315.304 | 5,800 | 3,500 |
| 1.441 Reclaimed Plastics | Natural Resources | 1985 | 315.324 | Less than 50 | Less than 50 |
| 1.442 Diesel Truck Engines (New) | Natural Resources | 2003 | Note: 315.356 | 500 | 600 |
| 1.443 Diesel Truck Engines (Retrofit and Repower) | Natural Resources | 2007 | Note: 315.356 | 1,400 | 3,800 |
| 1.444 Fish Screening Devices | Natural Resources | 1989 | 315.138 | Less than 50 | Less than 50 |
| 1.445 Alternative Energy Devices (Residential) | Natural Resources | 1977 | 316.116 | 25,400 | 28,700 |
| 1.446 Alternative Fuel Stations | Natural Resources | 2001 | 317.115 | Less than 50 | Less than 50 |
| 1.447 Business Energy Facilities | Natural Resources | 1979 | 315.354 | 68,600 | 143,800 |
| 1.450 Biofuel Consumer Credit | Natural Resources | 2007 | 315.465 | 600 | 1,100 |
| 1.451 Biodiesel Used in Home Heating | Natural Resources | 2007 | 315.469 | 200 | 600 |
| 1.452 Production or Collection of Biomass | Natural Resources | 2007 | 315.141 | 3,600 | 7,100 |
| 1.453 Reforestation | Natural Resources | 1979 | 315.104 | 300 | 300 |
| 1.454 Sewer Connection | Natural Resources | 1987 | 316.095 | Less than 50 | 0 |
| 1.459 Political Contributions | Government | 1969 | 316.102 | 15,200 | 15,800 |
| 1.460 Personal Exemption | Social Policy | 1985 | 316.085 | 925,200 | 974,700 |
| 1.461 Oregon Cultural Trust | Social Policy | 2001 | 315.675 | 4,900 | 5,500 |
| 1.462 Retirement Income | Social Policy | 1991 | 316.157 | 1,500 | 1,200 |
| 1.463 TRICARE Health Care Providers | Social Policy | 2007 | 315.628 | 1,900 | 4,300 |
| 1.464 Oregon Veterans' Home Physician | Social Policy | 2007 | 315.624 | Less than 50 | Less than 50 |
| <i>Other</i> | | | | | |
| 1.501 Foreign Resident Filing Status | Economic/Community | 1999 | 316.027 | 1,600 | 1,700 |
| 1.504 Income Averaging for Farmers | Natural Resources | 2001 | 314.297 | 200 | 300 |
| 1.505 Capital Gains from Farm Property | Natural Resources | 2001 | 318.020/317.063 | 4,100 | 4,600 |
| 1.508 Title 10 Active Duty Death | Social Policy | 2005 | 314.088 | Less than 50 | Less than 50 |

Corporation Income Tax Expenditures

| Tax Expenditure | Program or Function | Year Enacted | Oregon Statute | Revenue Impact (\$ Thousands) | |
|--|--------------------------------|-----------------|-------------------|----------------------------------|--------------|
| | | | | 2007-09 | 2009-11 |
| <i>Federal Exclusions</i> | | | | | |
| 1.011 Prescription Drug Insurance (Part D) | Human Services | 2003 | 316.048/317.013 | 37,900 | 46,900 |
| 1.018 Magazine, Paperback, and Record Returns | Economic/Community | 1978 | 316.048/317.013 | 200 | 200 |
| 1.019 Cash Accounting, Other than Agriculture | Economic/Community | 1916 | 316.048/317.013 | 6,300 | 7,100 |
| 1.020 Regional Economic Development Incentives | Economic/Community | 1993 | 316.048/317.013 | 0 | 0 |
| 1.021 Income of Controlled Foreign Corporations | Economic/Community | 1909 | 317.013 | 28,600 | 33,400 |
| 1.022 Extraterritorial Income Exclusion | Economic/Community | 2000 | 317.013 | Less than 50 | 0 |
| 1.023 Cancellation of Debt for Non-Farmers | Economic/Community | Pre-1955 | 316.048/317.013 | 1,300 | 1,500 |
| 1.024 Imputed Interest Rules | Economic/Community | 1964 | 316.048/317.013 | 3,000 | 3,700 |
| 1.030 Employee Stock Ownership Plans | Economic/Community | 1974 | 316.048/317.013 | 7,200 | 8,300 |
| 1.037 Agriculture Cost-Sharing Payments | Natural Resources | 1978 | 316.048/317.013 | 200 | 200 |
| 1.040 Earnings of Certain Environmental Settlement Funds | Natural Resources | 2005 | 316.048 | Less than 50 | Less than 50 |
| 1.042 Life Insurance Investment Income | Consumer and Business Services | 1913 | 316.048/317.013 | 213,900 | 226,800 |
| 1.045 Credit Union Income | Consumer and Business Services | 1951 | 317.080(1) | 7,500 | 8,300 |
| 1.046 Structured Settlement Accounts | Consumer and Business Services | 1982 | 317.013 | Less than 50 | Less than 50 |
| 1.047 Contributions in Aid of Construction for Utilities | Consumer and Business Services | 1996 | 317.013 | 200 | 200 |
| 1.048 Certain Disaster Mitigation Payments. | Consumer and Business Services | 2005 | 316.048/317.013 | Less than 50 | Less than 50 |
| 1.049 Gain on Nondealer Installment Sales | Tax Administration | 1921 | 316.048/317.013 | 15,300 | 8,900 |
| 1.050 Gain on Like-Kind Exchanges | Tax Administration | 1921 | 316.048/317.013 | 21,900 | 22,600 |
| <i>Federal Deductions</i> | | | | | |
| 1.201 Charitable Contributions: Education | Education | 1917 | 316.695/317.013 | 52,400 | 57,600 |
| 1.202 Charitable Contributions: Health | Human Services | 1917 | 316.695/317.013 | 39,000 | 41,400 |
| 1.204 Removal of Architectural Barriers | Human Services | 1976 | 316.048/317.013 | Less than 50 | Less than 50 |
| 1.205 Accelerated Depreciation of Buildings | Economic/Community | 1954 | 316.048/317.013 | 8,200 | 8,400 |
| 1.206 Accelerated Depreciation of Equipment | Economic/Community | 1954 | 316.048/317.013 | 119,800 | 106,200 |
| 1.207 Deferral of Certain Financing Income of Foreign Corporations | Economic/Community | 1997 | 317.013 | 8,200 | 400 |
| 1.208 Research and Development Costs | Economic/Community | 1954 | 316.048/317.013 | 13,100 | 19,700 |
| 1.209 Section 179 Expensing Allowances | Economic/Community | 1959 | 316.048/317.013 | 21,400 | 6,100 |
| 1.210 Amortization of Business Start-Up Costs | Economic/Community | 1980 | 316.048/317.013 | 5,900 | 6,700 |
| 1.211 Construction Funds of Shipping Companies | Economic/Community | 1936 | 317.319 | 400 | 400 |
| 1.213 Renewal Community Tax Incentives | Economic/Community | 2000 | 316.048/317.013 | 0 | 0 |
| 1.214 Deduction of Certain Film and Television Production Costs | Economic/Community | 2004 | 317.013 | 400 | 0 |
| 1.215 Accelerated Depreciation of Rental Housing | Economic/Community | 1954 | 316.048/317.013 | 36,100 | 44,900 |
| 1.218 Cash Accounting for Agriculture | Natural Resources | 1916 | 316.048/317.013 | 100 | 100 |
| 1.219 Soil and Water Conservation Expenditures | Natural Resources | 1954 | 316.048/317.013 | 400 | 600 |
| 1.220 Fertilizer and Soil Conditioner Costs | Natural Resources | 1960 | 316.048/317.013 | 1,300 | 1,100 |
| 1.221 Costs of Raising Dairy and Breeding Cattle | Natural Resources | 1916 | 316.048/317.013 | 1,100 | 1,100 |
| 1.222 Sale of Stock to Farmers' Cooperatives | Natural Resources | 1998 | 316.048/317.013 | Less than 50 | Less than 50 |
| 1.223 Small Refiner Expensing of Sulfur Compliant Equipment | Natural Resources | 2004 | 317.013 | Less than 50 | Less than 50 |
| 1.224 Intangible Development Costs for Fuels | Natural Resources | 1978 | 316.695/317.013 | 1,700 | 1,100 |

Corporation Income Tax Expenditures

| Tax Expenditure | Program or Function | Year Enacted | Oregon Statute | Revenue Impact (\$ Thousands) | |
|--|--------------------------------|--------------|-----------------------|----------------------------------|--------------|
| | | | | 2007–09 | 2009–11 |
| 1.225 Depletion Costs for Fuels | Natural Resources | 1962 | 316.695/317.013 | 2,800 | 2,900 |
| 1.226 Tertiary Injectants | Natural Resources | 1980 | 316.695/317.013 | Less than 50 | Less than 50 |
| 1.227 Deferral of Capital Gains From FERC Restructuring Requirements | Natural Resources | 2004 | 317.013 | 900 | 200 |
| 1.228 Expensing Timber Growing Costs | Natural Resources | 1986 | 316.048/317.013 | 1,100 | 1,100 |
| 1.229 Expensing and Amortization of Reforestation Costs | Natural Resources | 1980 | 316.048/317.013 | 1,100 | 1,100 |
| 1.230 Development Costs for Nonfuel Minerals | Natural Resources | 1951 | 316.048/317.013 | 200 | 200 |
| 1.231 Depletion Costs for Nonfuel Minerals | Natural Resources | 1913 | 316.048/317.374 | 600 | 600 |
| 1.232 Mining Reclamation Reserves | Natural Resources | 1984 | 316.048/317.013 | 100 | 100 |
| 1.233 Energy Efficient Commercial Property | Natural Resources | 2006 | 316.048/317.013 | 900 | 1,100 |
| 1.234 Advanced Mine Safety Equipment | Natural Resources | 2006 | 316.048/317.014 | Less than 50 | Less than 50 |
| 1.235 Redevelopment Costs in Contaminated Areas | Natural Resources | 1997 | 316.048/317.013 | 1,700 | 200 |
| 1.236 Life Insurance Company Reserves | Consumer and Business Services | 1984 | 317.655(2)(f) and (g) | 8,900 | 9,800 |
| 1.237 Additions to Bad Debt Reserves of Small Financial Institutions | Consumer and Business Services | 1947 | 317.310 | Less than 50 | Less than 50 |
| 1.238 Property and Casualty Insurance Company Reserves | Consumer and Business Services | 1986 | 317.655(2)(f,g) | 15,400 | 16,000 |
| 1.239 Magazine Circulation Expenditures | Tax Administration | 1950 | 316.048/317.013 | 100 | 100 |
| 1.240 Net Operating Loss Limitation | Tax Administration | 1954 | 317.478/317.479 | 2,200 | 2,200 |
| 1.241 Completed Contract Rules | Tax Administration | 1986 | 316.048/317.013 | 1,900 | 2,600 |
| 1.244 Charitable Contributions: Other | Social Policy | 1917 | 316.695/317.013 | 267,400 | 293,300 |
| 1.245 Creation or Acquisition of Musical Compositions | Social Policy | 2005 | 316.048/317.013 | Less than 50 | Less than 50 |

Oregon Subtractions

| | | | | | |
|--|--------------------------------|------|-----------------|--------------|--------------|
| 1.301 Land Donated to Schools | Education | 1999 | 316.852/317.488 | Less than 50 | Less than 50 |
| 1.310 Small City Business Development | Economic/Community | 2001 | 316.778/317.391 | 100 | 200 |
| 1.312 Out-of-State Financial Institutions | Economic/Community | 1999 | 317.057 | Less than 50 | Less than 50 |
| 1.313 Capital Gains from Manufactured Dwelling Park Sale | Economic/Community | 2005 | 316.153 | Less than 50 | Less than 50 |
| 1.314 Payments for Closure of Manufactured Dwelling Park | Economic/Community | 2007 | 316.795/317.092 | 200 | 200 |
| 1.316 Film Production Labor Rebate | Economic/Community | 2005 | 316.698/317.394 | 100 | 100 |
| 1.317 Underground Storage Tank Grants | Natural Resources | 1991 | 316.834/317.383 | 0 | 0 |
| 1.318 Energy Conservation Subsidies (Oregon) | Natural Resources | 1981 | 316.744/317.386 | Less than 50 | Less than 50 |
| 1.319 Wet Marine and Transportation Policies | Consumer and Business Services | 1995 | 317.080(8) | 400 | 400 |

Oregon Credits

| | | | | | |
|--|--------------------|------|---------|----------------|----------------|
| 1.401 Youth Apprenticeship Sponsorship | Education | 1991 | 315.254 | 0 | 0 |
| 1.402 Contributions of Computer Equipment | Education | 1985 | 317.151 | Less than 50 | Less than 50 |
| 1.403 Employer Provided Scholarships | Education | 2001 | 315.237 | Less than 50 | Less than 50 |
| 1.409 Long-Term Care Insurance | Human Services | 1999 | 315.610 | 13,700 | 15,200 |
| 1.414 Film Production Development Contributions | Economic/Community | 2003 | 315.514 | 7,900 | 10,000 |
| 1.415 Qualified Research Activities | Economic/Community | 1989 | 317.152 | 14,900 | 18,200 |
| 1.416 Qualified Research Activities (Alternative) | Economic/Community | 1989 | 317.154 | Incl. in 1.415 | Incl. in 1.415 |
| 1.417 Long-term Rural Enterprise Zone (Income Tax) | Economic/Community | 1997 | 317.124 | Not Available | Not Available |

Corporation Income Tax Expenditures

| Tax Expenditure | Program or Function | Year Enacted | Oregon Statute | Revenue Impact (\$ Thousands) | |
|--|--------------------------------|--------------|---------------------------------------|-------------------------------|----------------|
| | | | | 2007-09 | 2009-11 |
| 1.418 Reservation Enterprise Zone (Income Tax) | Economic/Community | 2001 | 285C.309 | Less than 50 | Less than 50 |
| 1.419 Electronic Commerce Enterprise Zone (Income Tax) | Economic/Community | 2001 | 315.507 | 1,100 | 1,200 |
| 1.420 Water Transit Vessel Manufacturing | Economic/Community | 2005 | 315.517 | Less than 50 | Less than 50 |
| 1.421 Public University Venture Development Fund | Economic/Community | 2005 | 315.521 | 500 | 600 |
| 1.422 Small Corporation Tax Credit | Economic/Community | 2007 | Note: 317.092 (OR Laws 2007, Chap. 4) | 24,800 | 0 |
| 1.425 Employer Provided Dependent Care Assistance | Economic/Community | 1987 | 315.204 | 1,900 | 1,900 |
| 1.426 Employer Provided Dependent Care Facilities | Economic/Community | 1987 | 315.208 | Incl. in 1.425 | Incl. in 1.425 |
| 1.427 First Break Program | Economic/Community | 1995 | 315.259 | Less than 50 | Less than 50 |
| 1.428 Child Care Division Contributions | Economic/Community | 2001 | 315.213 | 1,000 | 1,000 |
| 1.429 Farmworker Housing Construction | Economic/Community | 1989 | 315.164 | 2,100 | 2,200 |
| 1.430 Farmworker Housing Lender's Credit | Economic/Community | 1989 | 317.147 | 800 | 800 |
| 1.431 Oregon Affordable Housing Lender's Credit | Economic/Community | 1989 | 317.097 | 14,000 | 20,600 |
| 1.432 Individual Development Account Contribution (Credit) | Economic/Community | 1999 | 315.271 | 10,300 | 13,000 |
| 1.435 Crop Gleaning | Natural Resources | 1977 | 315.156 | 200 | 200 |
| 1.436 Alternatives to Field Burning | Natural Resources | 1975 | 315.304 | 200 | Less than 50 |
| 1.437 Farm Machinery and Equipment (Income Tax) | Natural Resources | 2001 | 315.119/315.123 | Less than 50 | Less than 50 |
| 1.438 Riparian Lands Removed from Farm Production | Natural Resources | 2001 | 315.113 | Less than 50 | Less than 50 |
| 1.439 Pollution Prevention | Natural Resources | 1995 | 315.311 | Less than 50 | 0 |
| 1.440 Pollution Control | Natural Resources | 1967 | 315.304 | 5,800 | 3,500 |
| 1.441 Reclaimed Plastics | Natural Resources | 1985 | 315.324 | Less than 50 | Less than 50 |
| 1.442 Diesel Truck Engines (New) | Natural Resources | 2003 | Note: 315.356 | 500 | 600 |
| 1.443 Diesel Truck Engines (Retrofit and Repower) | Natural Resources | 2007 | Note: 315.356 | 1,400 | 3,800 |
| 1.444 Fish Screening Devices | Natural Resources | 1989 | 315.138 | Less than 50 | Less than 50 |
| 1.446 Alternative Fuel Stations | Natural Resources | 2001 | 317.115 | Less than 50 | Less than 50 |
| 1.447 Business Energy Facilities | Natural Resources | 1979 | 315.354 | 68,600 | 143,800 |
| 1.448 Energy Conservation Lender's Credit | Natural Resources | 1981 | 317.112 | Less than 50 | Less than 50 |
| 1.449 Weatherization Lender's Credit | Natural Resources | 1977 | 317.111 | Less than 50 | Less than 50 |
| 1.452 Production or Collection of Biomass | Natural Resources | 2007 | 315.141 | 3,600 | 7,100 |
| 1.453 Reforestation | Natural Resources | 1979 | 315.104 | 300 | 300 |
| 1.455 Mile-Based or Time-Based Motor Vehicle Insurance | Consumer and Business Services | 2003 | Note: 317.122 | Less than 50 | Less than 50 |
| 1.456 Fire Insurance | Consumer and Business Services | 1969 | 317.122(1) | 8,500 | 10,200 |
| 1.457 Workers' Compensation Assessments | Consumer and Business Services | 1995 | 317.122(2) | 2,000 | 1,800 |
| 1.458 Oregon Life and Health IGA Assessments | Consumer and Business Services | 1975 | 734.835 | 100 | 100 |
| 1.461 Oregon Cultural Trust | Social Policy | 2001 | 315.675 | 4,900 | 5,500 |
| <i>Other</i> | | | | | |
| 1.502 Public Warehouse Sales Throwback Exemption | Economic/Community | 2005 | 314.665 | Less than 50 | Less than 50 |
| 1.503 Single Sales Factor Corporate Apportionment | Economic/Community | 2003 | 314.650/317.660 | 79,100 | 89,900 |

Corporation Income Tax Expenditures

| Tax Expenditure | Program or Function | Year Enacted | Oregon Statute | Revenue Impact (\$ Thousands) | |
|--|-----------------------------------|-----------------|-------------------|----------------------------------|---------|
| | | | | 2007-09 | 2009-11 |
| 1.505 Capital Gains from Farm Property | Natural Resources | 2001 | 318.020/317.063 | 4,100 | 4,600 |
| 1.506 Apportionment for Certain Forest Product Companies | Natural Resources | 2003 | 314.650(2) | 0 | 0 |
| 1.507 Apportionment for Utility and Telecommunication Companies | Consumer and Business Services | 2001 | 314.280 | 900 | 900 |