

November 5, 2024 General Election

Initiative Petition 17

“Increases highest corporate minimum taxes; distributes revenue to eligible individuals; state replaces reduced federal benefits.”

Draft Estimate of Financial Impact:

The measure establishes a new gross receipts tax as the minimum tax for certain corporations. According to the Legislative Revenue Office, indirect economic costs of the measure include a 1.3 percent increase in prices of goods and services and reductions in jobs, wages and personal incomes. Corporate tax revenues are estimated to increase by \$1.3 billion in 2023-25, \$14.7 billion in 2025-27, and \$15.6 billion in 2027-29.

New revenue raised will be used to issue annual rebates to eligible individuals in Oregon. An estimated \$13.6 billion will be required for rebate distributions in 2025-2027 and an estimated \$17.1 billion will be required in 2027-29. Administrative costs and any additional payments will be deducted from the amount to be distributed.

Individuals who lose federal benefits because of the rebate will be held harmless with additional payments. The costs associated with this provision are unknown.

Rebates that are declined by eligible individuals will be available to fund services for senior citizens, health care, and public early childhood education through high school. The impact from these declined rebates is unknown.

Following the initial phase-in, total biennial costs of the rebate program are expected to exceed the new biennial revenue. Estimated indirect impacts on personal income tax revenue are reductions of \$12 million in 2023-25, \$199 million in 2025-27, and \$207 million in 2027-29. Lastly, changes to the economy are projected to reduce state revenue by roughly \$11 million in 2023-25, \$150 million in 2025-27 and \$400 million in 2027-29.

The corporate kicker will increase by an estimated \$1.3 billion in 2025-27, and transfers to the Rainy Day Fund from the General Fund will be reduced.

Impact to local governments is unknown.

Certification:

We, the undersigned, hereby certify that, pursuant to ORS 250.127(3), we have prepared the statement described under “Estimate of Financial Impact.”

LaVonne Griffin-Valade, Secretary of State

Date

Tobias Read, State Treasurer

Date

Berri Leslie, Director,
Department of Administrative Services

Date

Betsy Imholt, Director, Department of Revenue

Date

Ernest Stephens, Local Government Representative

Date