

Oregon's Surplus Refund / Kicker

Oklahoma Senate Appropriations

October 27, 2021

State of Oregon

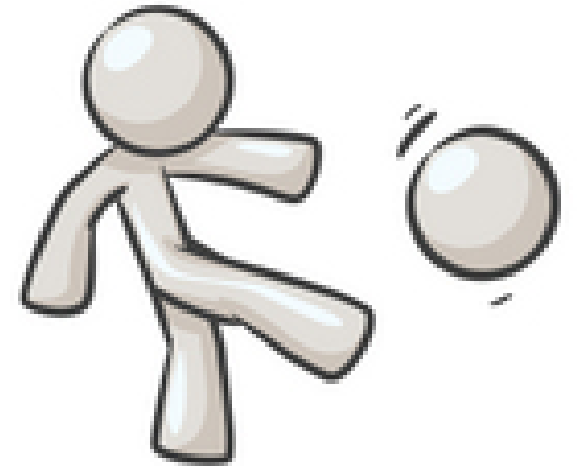
LEGISLATIVE REVENUE OFFICE





Oregon's Kicker Law

- It is a revenue limit – expenditures do not affect the kicker calculation
- (Currently) Pertains to all General Fund revenue except corporate income taxes
- It is based on two calculations
 - The Close-of-Regular-Session estimate (odd year, budget setting)
 - Actual revenue collections for the biennium (Jul-Jun fiscal years)
 - For 2019-21: COS was in Sept. 2019, actuals in Sept. 2021
- If actuals >2% above COS—all revenue above forecast returned to taxpayers as credit (in the following biennium)
- Can be modified by the Legislature with a 2/3 vote in each chamber





General Fund 2019-21 Close-of-Session Forecast

	\$ Millions	Share of Total
Personal Income Taxes	\$18,284	92.2%
Estate Taxes	\$361	1.8%
Liquor Apportionment	\$349	1.8%
Fines and Fees	\$289	1.5%
Tobacco Taxes	\$132	0.7%
Insurance Taxes	\$133	0.7%
Other	\$284	1.4%
Subtotal	\$19,830	100.0%
Corporate Income Taxes	\$1,191	100.0%





How Does It Work?

(2019-21 biennium)

	Personal	Corporate
▶ There are two “kickers”:		
▶ Calculate the base:	\$19,830M	\$1,171M
▶ Calculate the triggers: (base * 1.02)	\$20,226M	\$1,195M
▶ Sum actual revenue:	\$21,728M	\$2,021M
▶ If triggered, entire surplus sent to taxpayers / education:	\$1,898M	\$850M
▶ Surplus ÷ 2020 liability = kicker %	17.3%	NA





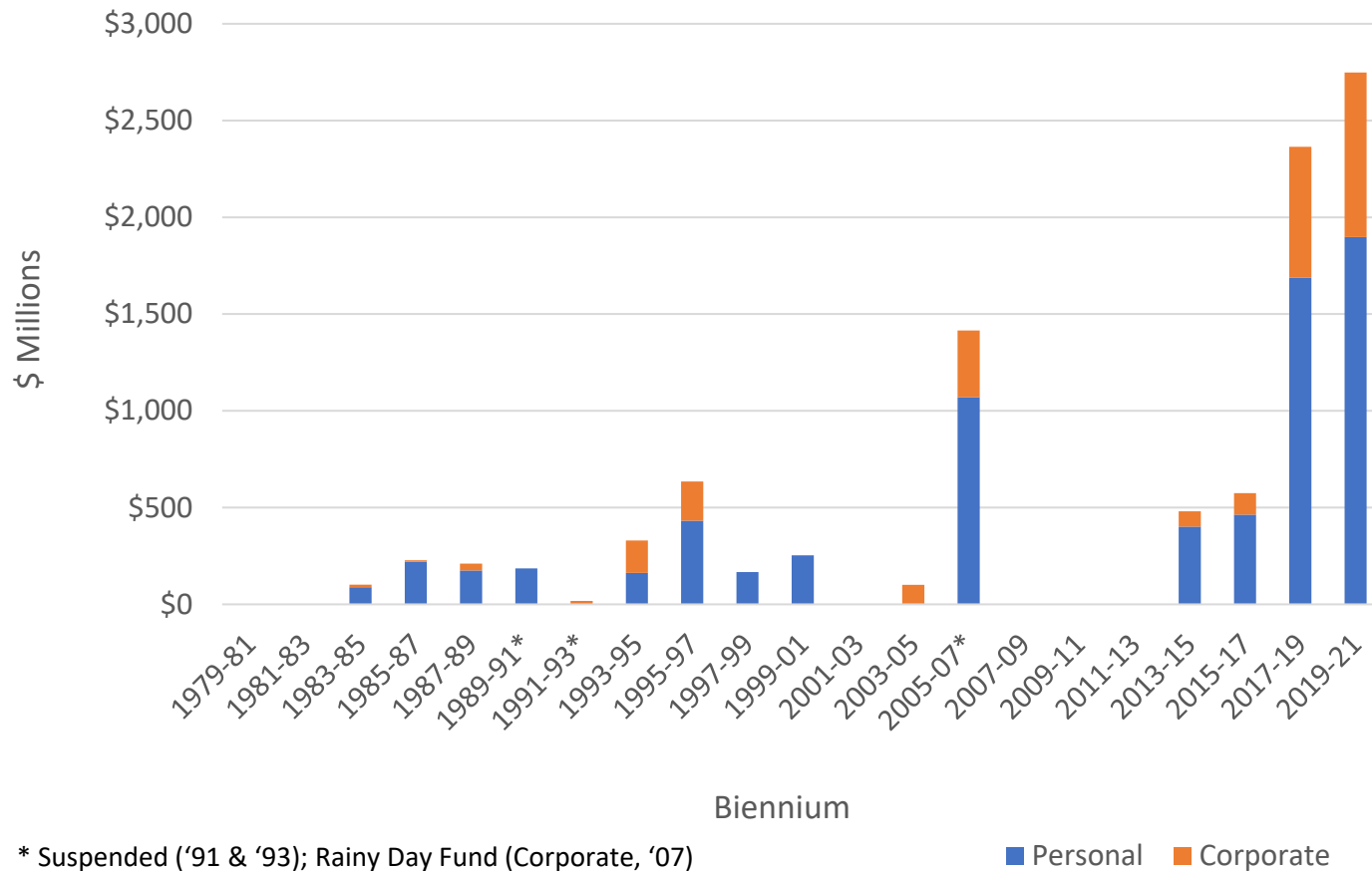
A Brief Kicker History

- 1979: Approved by the Legislature (part of property tax relief and fiscal constraint)
- 1980: Voters make policies permanent
- 1985: First kicker credits triggered
- 1995: Personal kicker credit converted to a check
- 2000: Voters place kicker into the Constitution
- 2011: Personal kicker converted back to a credit
- 2012: Corporate kicker dedicated to education





History of Kicker amounts

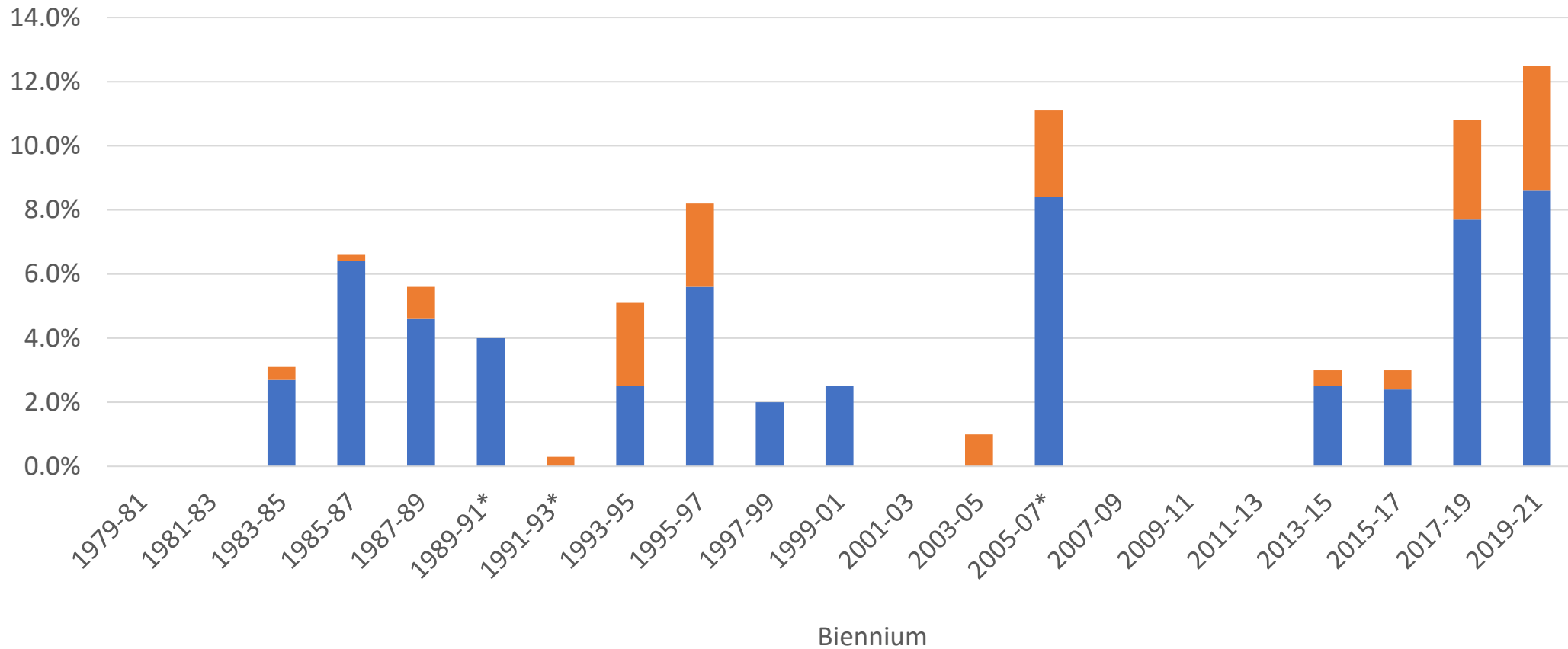


* Suspended ('91 & '93); Rainy Day Fund (Corporate, '07)

- ▶ **Personal Kicker**
 - Triggered 13 out of 21 biennia
 - Suspended once (1991)
 - \$7 Billion to taxpayers
- ▶ **Corporate Kicker**
 - Triggered 12 out of 21 biennia
 - Suspended twice (1993 & 2007)
 - \$324 Million to taxpayers
 - \$1.7 Billion to education
- ▶ **“Average” Kicker**
 - \$346M per biennium for personal
 - \$127M per biennium for corporate



Kicker as Percent of General Fund



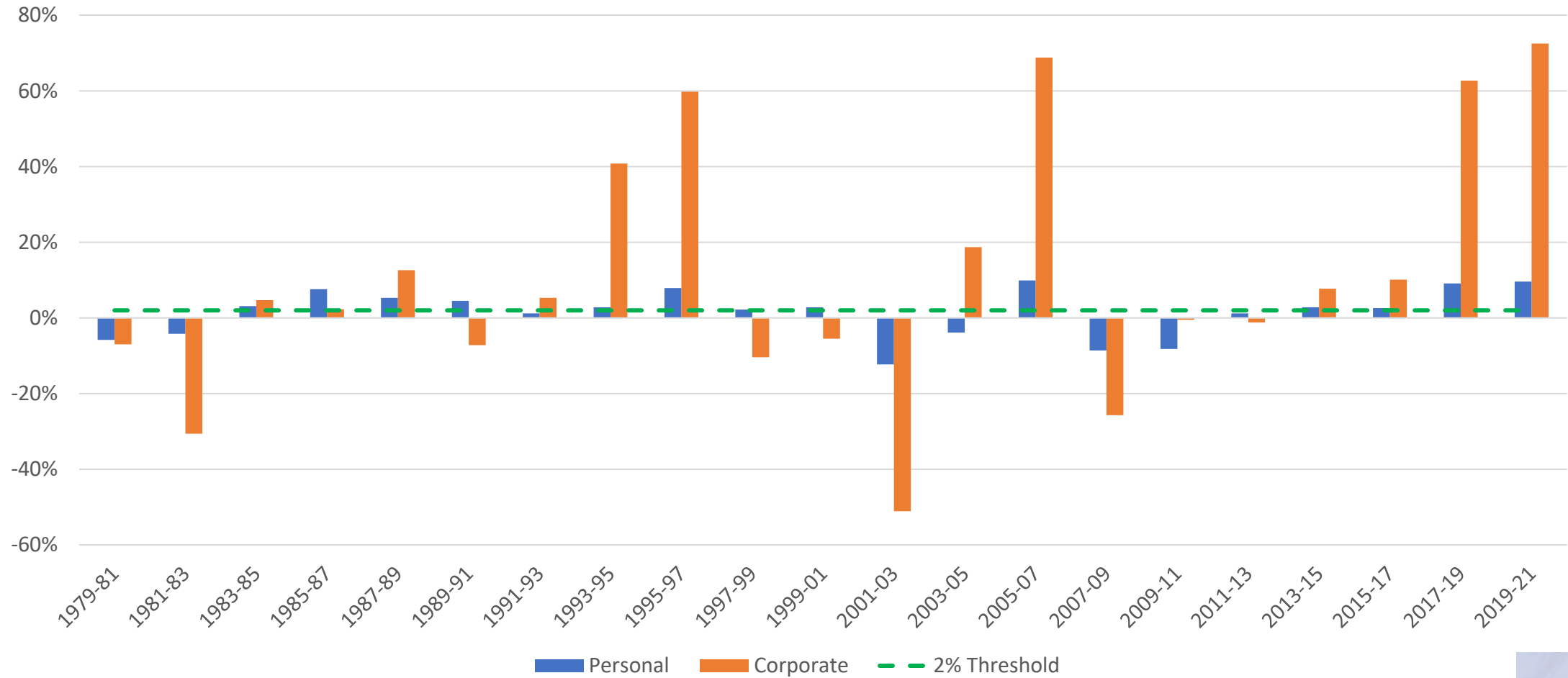
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■ Personal ■ Corporate





Deviation from COS Estimates



For More Information

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