

Revenue

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General Revenue Updates

The 2021 session is starting off with a [\\$1.7 billion shortfall](#) caused by our very expensive wildfire season last fall and necessary recovery efforts, and the costs associated with the coronavirus epidemic. We do have a rainy-day fund and an education stability fund that together could provide up to \$1.3 billion in reserve funds that could be tapped. In addition, Governor Brown's proposed budget for the 2021-2023 biennium has shifted funds from Other Funds and the Lottery Fund around to beef up the General Fund. The budget includes some revenue raising ideas along with agency budget cuts that altogether could decrease that shortfall in half.

House Revenue and the Senate Finance and Revenue Committees started the session with a week of informational meetings explaining personal and business pass-through income tax, corporate excise and income taxes, and property tax history. On Thursday, an omnibus bill left over from last year with several tweaks in the first five sections to improve low-income home ownership tax exemptions was heard. The Housing Alliance, of which LWVOR is a member, testified in support of the technical changes, among several other witnesses. The omnibus bill will see work sessions later on. There are several other tax credits in this bill that will need close scrutiny, such as for logging equipment and film industry tax credits.

Pam Marsh and tax accessor, Mr. Davidson, gave an informational session on [HB 2431](#) and described recommended changes to current law that would provide more immediate property tax relief for those affected by wildfire and other disasters after the destruction of their homes that would provide pro-rated tax rates proactively, without the need for homeowners to apply and submit a form to receive reduced property taxes. It also helps provide tax relief for partial damage based on real market value loss from the month of damage, rather than based on the lower maximum assessed value.

The completed new Tax Expenditure Report and the shorter Tax Credit Report will be available on the House Revenue meeting materials web page after January 29.