

# Tax Expenditure Subject Area Descriptions

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In addition to the material in the published Tax Expenditure Report, the Department of Revenue, in consultation with the Chief Financial Office and Legislative Revenue Office, categorized tax expenditures (TEs) by subject. These categories are intended to provide an easy way to view tax expenditures relating to common subjects. These particular subjects were selected based on the tax expenditure's published description, purpose, and who benefits but there are likely many other subjects that could be used to describe them. These categories should not be considered authoritative. Several tax expenditures relate to multiple subjects and will appear in each category to which they are related.

Following are brief descriptions of each subject.

## **Agriculture**

Includes tax expenditures related to agricultural land use, processing of food products, offsetting costs incurred by agriculture producers, and otherwise relating to agriculture production and/or the agricultural industry within the State.

## **Arts/Culture**

Most of the expenditures within this category relate to Oregon's film industry; the category also includes cultural trust and historic property.

## **Charitable Organizations**

Category includes tax expenditures relating to charitable organizations and/or their employees.

## **Economic Development**

Many tax expenditures could in some way be linked to economic development, but this category includes expenditures designed explicitly to influence economic development or the reduction of costs for certain industries to increase their competitiveness.

## **Education**

Category includes tax expenditures relating to all levels of education, property related to education that is exempt from local property taxes, cost reductions associated with education, and untaxed benefits that encourage increased education attainment.

## **Employee Benefit**

This category includes tax expenditures relating to benefits received by employees that would otherwise be considered a taxable form of compensation. Examples include employer-paid medical benefits and employee meals and lodging.

## **Energy**

Includes TEs related to both the production and consumption of energy. Some TEs relate to reducing costs of production, while others incentivize specific types of energy production or consumption (such as renewable energy).

## **Environment/Conservation**

Includes TEs related to reducing consumption of non-renewable goods (generally energy related). Category also includes TEs designed to reduce costs or incentivize specific actions relating to environment/conservation.

## **Family Support**

Category contains TEs relating to children and taxpayer dependents.

## **Federal Law Prohibits**

Includes TEs that exist due to federal law prohibiting such form of taxation.

## **Financials/Insurance**

Includes TEs that relate to the financial/insurance industry. Many of these TEs relate to unique ways in which the financial/insurance industry is taxed compared to other companies.

## **Forestry**

Includes TEs associated with Oregon's Forestry and Timber industries except state and local forest/timber property which is not included in this category. Because state and local forest/timber property cannot be separated from all other state and local property, state and local forest/timber property is included under the State and Local Government subject category.

## **Health Care**

Includes TEs relating to health care providers and/or consumers. Category includes TEs with identified health care recipient populations such as military or elderly.

## **Housing**

This category includes TEs related to new and existing housing.

## **Lower Income Assistance**

This category relates to TEs containing statutory language specific to "lower income". Many of the TEs within this category contain income thresholds where the tax benefits associated with the TE phase out as income increases, or are only applicable to individuals with "lower incomes".

## **Military**

Category includes TEs that require some sort of military service (or family-connected service) to qualify.

## **Other Untaxed Income / Property**

Designed as a category to place TEs that are not otherwise related to one of the other subject categories.

## **Recreation**

Most of the TEs within this category relate to untaxed property used for recreational purposes or in support of recreational activities.

## **Retirement**

Category includes TEs relating to current and future retirement, including the exclusion from taxation of certain retirement income or income being used for retirement savings. Because Social Security benefits are not solely retirement benefits, TEs related to Social Security are not included within this category but rather are included in the Senior and Disabled category.

## **Senior and Disabled**

Category includes TEs specific to seniors and disabled individuals or properties that service the senior and/or disabled population(s). Social Security benefits are included within this category whereas TEs relating to retirement are included in the Retirement category.

## **State and Local Government**

Category includes TEs related to properties owned by state and local governments, employees of state and local governments, and some entities that function similar to state and local governments (e.g. Indian Property Used Exclusively for Government Services).

## **Tax Administration**

Category includes TEs relating to the tax administration of governments, taxpayers, or both.

## **Transportation**

Includes TEs relating to specific means of transportation as well as transportation infrastructure.

## **Utilities**

Includes TEs relating to utilities as well as nonprofit associations functioning similar to utilities.