

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Revenue by Prior Reference
Vote:	7 - 1 - 0
Yeas:	Bailey, Bentz, Galizio, Gilliam, Holvey, Witt, Read
Nays:	Thatcher
Exc.:	0
Prepared By:	Barbara Allen, Administrator
Meeting Dates:	4/21, 4/23

WHAT THE MEASURE DOES: Creates an income tax credit for qualified investments in machinery and equipment. Limits the total amount of the credit that may be claimed in a biennium and limits the amount each taxpayer may claim.

Applies to tax years beginning 2010 but permits qualified investments purchased on or after July 1, 2009 to be considered qualified investments for the 2010 tax year. Sunsets program by prohibiting certification of newly qualified investments on or after July 1, 2015.

ISSUES DISCUSSED:

- Need to stimulate local economies due to the current recession
- Program is a temporary tax relief measure for small business owners

EFFECT OF COMMITTEE AMENDMENT: Allows additional tax credits and delineates several new equipment eligibility requirements including the machinery must be in use for at least 36 consecutive months to be eligible for the credit. Changes who issues certification from the Department of Revenue to the Oregon Economic and Community Development Department.

BACKGROUND: A similar measure was introduced in the 2007 legislative session (HB 3246). HB 2777A differs slightly by changing what types of equipment can be used as a qualified investment.

Historically, the Department of Revenue is responsible for certifying qualified investments and maintaining records of cumulative amounts certified.