

REVENUE: Revenue Impact Issued

FISCAL: Minimal Fiscal Impact, no statement issued

Action: Do Pass
Vote: 3-2-0
Yeas: Hass, Rosenbaum, Burdick
Nays: Morse, Telfer
Exc.: 0
Prepared By: Chris Allanach, Economist
Meeting Dates: 3/19; 6/1

WHAT THE BILL DOES: Increases the annual cap on the amount of tax credits for contributions to the Oregon Production Investment Fund from \$5 million to \$7.5 million. Clarifies the definition of expenses eligible for reimbursement.

ISSUES DISCUSSED:

- Value of the Oregon Production Investment Fund as a recruiting tool
- Spillover effects from larger productions coming to Oregon
- Expanding a tax credit in current budget situation

EFFECT OF COMMITTEE AMENDMENTS: None

BACKGROUND: This credit was created by the 2003 Legislature and included an annual limit of \$1 million of credits to be issued. That limit was increased to \$5 million by the 2007 Legislature. Taxpayers receive a credit equal to 110 percent of their contribution to the fund. A 2008 study by ECONorthwest concluded that between 2002 and 2007 industry output grew by 64 percent and employment grew by 21 percent. During this same time period Oregon's Gross State Product grew by 35 percent and total, non-farm employment grew by just over 9%.