



**Murphy**

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Joint Committee on Tax Credits 76<sup>th</sup> Session  
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April 27, 2011

Joint Committee on Tax Credits  
HR A  
State Capitol  
Salem OR 97301

Dear Co-Chair Senator Burdick, Co-Chair Rep. Bailey, and Co-Chair Rep. Berger and Members of the Joint Committee on Tax Credits:

Enterprise Zones have been a powerful and effective incentive tool for attracting much needed investment to rural Oregon, particularly in those areas hard hit by high unemployment rates. When we lost our plywood mill in Sutherlin to a fire in 2005, we had several choices, i.e., either rebuild the facility there or move it to another location or not do anything at all. But the incentives like the 15 year property tax exemption under the Long-Term Rural Oregon Enterprise Zone Act helped us immensely in our decision to rebuild the facility in Sutherlin and create approximately 66 well paid jobs.

The Long-term Rural Enterprise Zone Credit has been used in our area to encourage new investment in the forest products industry. This credit has complemented our efforts to promote long-term enterprise zones and encourage new business investment and the creation of jobs. In order to receive the tax credit, businesses must invest more than \$25 million and pay workers at least 50% more than the average county wage. Since the Governor must approve the credit, it is limited to those specific situations when Oregon is seeking to attract a very large investment in rural Oregon.

I urge your support for this important incentive tool that can make a huge difference in our rural communities.

Sincerely,

John Murphy  
President