

76TH OREGON LEGISLATIVE ASSEMBLY 2011 Regular Session
PRELIMINARY STAFF MEASURE SUMMARY
JOINT COMMITTEE ON TAX CREDITS

MEASURE: SB 817 -1
CARRIER:

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EXHIBIT: I
Joint Committee on Tax Credits 76th Session
DATE: 6/16/11 PAGES: 1
SUBMITTED BY: CHRIS ALLANACH

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have revenue impact, statement not yet issued

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 5/19

WHAT THE BILL DOES: Creates the Oregon Low Income Community Jobs Initiative. Creates a tax credit against income and corporate excise taxes equal to 39 percent of the cost of a qualified equity investment. States that the credit is taken over seven years – no credit for the first two years, a seven percent credit in year three, and an eight percent credit in each of the subsequent four tax years. States that the credit is nonrefundable but may be carried forward to any tax year. Limits the total amount of tax credits that may be claimed in any tax year to \$16 million. Specifies conditions that must be met for a taxpayer to be eligible for the credit and requires a nonrefundable application fee of \$5,000. Limits the amount of qualified investments in a qualified business to \$3 million. Applies to qualified investments made between July 1, 2012 and June 30, 2016.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENTS: (-1) increases the maximum investment from \$3 million to \$4 million; increases the application fee from \$5,000 to \$20,000; excludes business that receive more than 15 percent of their revenue from real estate; changes reference from 'taxpayer' to 'entity'.

BACKGROUND: This program is modeled after the federal New Markets Tax Credit. The intent is to stimulate investment in low-to-moderate income communities.