

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Without Recommendation as to Passage, but with Amendments, be Printed Engrossed, and Be Referred to Revenue, then to Tax Credits by Prior Reference.
Vote:	6 - 0 - 2
Yeas:	Beyer, Nathanson, Sheehan, Smith J., Bentz, Read
Nays:	0
Exc.:	Lindsay, Weidner
Prepared By:	Zachary Rothmier, Administrator
Meeting Dates:	2/16, 4/18

WHAT THE MEASURE DOES: Transfers the power and administration of providing tax credits to facilities that manufacture renewable energy equipment to the Oregon Business Development Department (OBDD) from the Oregon Department of Energy. Requires OBDD to certify the facility. Limits total credits to \$200 million for the biennium ending in 2011 and 2013 and \$50 million for the remainder of 2013.

ISSUES DISCUSSED:

- The manufacturing tax credit needs further review in Revenue and Tax Credit committees

EFFECT OF COMMITTEE AMENDMENT: Introduces wage and employment standards.

BACKGROUND: The original Business Energy Tax Credits for manufacturing provides that Oregon facilities that manufacture renewable energy resource equipment may be eligible for a Business Energy Tax Credit. Eligible costs include the building, equipment and machinery and other costs used to manufacture equipment, machinery or products designed exclusively to use a renewable energy resource. The facilities are eligible for a tax credit of 50 percent of eligible costs, up to a maximum of \$40 million in eligible costs for each phase of development.

House Bill 2523-A expands standards related to job creation by facilities utilizing the credit. The measure adds a standard related to a minimum level of increased employment in Oregon is proportional to amount of credit received., and specifies that compensation paid and benefits provided to employees of qualifying facilities meet or exceed national average for comparable employment. The measure also limits total credits to \$200 million for biennium ending in 2011 and 2013, and \$50 million for remainder of 2013.