

PRELIMINARY

77TH OREGON LEGISLATIVE ASSEMBLY
2014 REGULAR SESSION
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE

MEASURE: HB 4005
CARRIER:

REVENUE:
FISCAL:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 4/5

WHAT THE BILL DOES: Creates a refundable income and corporate excise tax credit for taxpayers that make a capital investment of at least \$2.5 million in a manufacturing facility. The credit is 50 percent of eligible expenses but is capped at \$10 million. Requires the credit to be claimed in one year unless the Oregon Business Development Department (OBDD) has allocated the credit over a number of tax years in alignment with the investment made. Defines terms. Requires certification by the OBDD with an application fee of up to \$25,000. Eligibility requirements include: the taxpayer conducting business in a traded sector; the hiring of at least five new, full-time, year-round employees per \$1 million of tax credits; the increase in annual gross payroll per FTE in a county to be at least 150 percent of the average wage of the county or state, whichever is less. Requires the OBDD and the taxpayer to enter into a performance agreement. Allows the OBDD to suspend or revoke the certification under certain conditions. Grants the OBDD rule-making authority. Limits the total potential tax credits to \$50 million per biennium. Certifications may be issued between July 1, 2014 and December 31, 2017. Requires the OBDD to report to the Legislature by February 1 of each odd-numbered year on the utilization of the tax credit.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENTS:

BACKGROUND:

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