

PRELIMINARY

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

MEASURE: HB 4005 -5
CARRIER:

REVENUE:
FISCAL:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 2/6; 2/14

WHAT THE BILL DOES: Increases the cap on the total number of electronic commerce zones from 10 to 13. Reinstates the Manufacturing Business Energy Tax Credit (MBETC) and extends the sunset date to January 1, 2016. Increases the taxpayer cap on the Research & Development tax credit from \$1 million to \$2 million beginning with tax year 2013.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENTS: Replaces the bill

BACKGROUND: The Electronic Commerce Zone designation allows qualified companies to claim an income tax credit if they operate within an enterprise zone and are engaged in e-commerce. The credit is 25 percent of investments made during the tax year, up to \$2 million. In 2002 four zones were designated. In 2005, the Legislature increased that number to ten. The Manufacturing tax credit was originally created as part the Business Energy Tax Credit program. In 2011, the Legislature moved the administration of the program from the Department of Energy to the Business Development Department.

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