

Tektronix, Inc.
Tax Department
14150 SW Karl Braun Drive
P.O. Box 500 M/S 50-TAX
Beaverton, OR 97077-0001
503 627-1932
503 627-6486 Fax
www.tektronix.com



February 13, 2015

House Committee on Higher Education, Innovation and Workforce Development
c/o Representative Tobias Read, Chair

Re: House Bill 2752, Qualified Research Activities Tax Credit

Chair Read and Members of the Committee,

Oregon is home to a wide array of innovative sectors, from technology and manufacturing to agriculture and biosciences. Every day, these innovative sectors are revolutionizing the world as we know it.

Innovations in the semi-conductor industry are by far the most recognizable for Oregon; however, the significance of research and development spans much further than one company or one sector. The spillover effect of innovation is substantial throughout all economic sectors and the individual innovations of one business revolutionize the capabilities of virtually all others. To use Tektronix as an example, innovations in the semiconductor industry increase our ability to innovate and manufacture our products. In return, our test and measurement equipment provides engineers with the tools they need to both design next generation products and evaluate them.

Private sector investments in innovation are critical to the future of Oregon's economy. More importantly, these investments create a robust opportunity for high-paying jobs in all industries. The Qualified Research Activities Tax Credit is a valuable tool for the state to use in recruiting investments in innovation, whether from new or existing sources.

The Qualified Research Activities Tax Credit is one of the most effective tools in stimulating private sector innovation. In order to claim the credit, a company must make an upfront investment in qualifying activities found in ORS 317.152 and 26 U.S. Code § 41. These investments create valuable job opportunities that not only add value to Oregon's economy but additional income tax resources that benefit all of the state's programs, such as our public school system.

It is my understanding you will be considering opportunities for the state to expand innovation in Oregon. I **highly recommend HB 2752 as a mechanism to do so**. Increasing the credit from \$1 million to \$2 million and making the credit refundable would encourage every business to do their share in establishing Oregon as a world-renown innovation hub.

Thank you for working on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Modjeski".

Mark Modjeski
Tax Director, Tektronix