

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date:

Action:

Meeting Dates:

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WHAT THE MEASURE DOES:

Modifies the Qualified Research Facilities (R&D) tax credit so that it is refundable for corporations with Oregon sales of no more than \$1 million. Increases the maximum tax credit from \$1 million to \$2 million. Applies to tax years 2016 and later.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

This tax credit was create in 1989 and is a function of research expenses incurred in Oregon. Corporations are allowed a tax credit equal to 5% of the amount of research expenses that exceed a base amount. An alternate calculation allows a tax credit equal to 5% of the amount of research expenses that exceed 10 percent of Oregon sales.