

## SB 728

SB 728 is all about job creation. It ties Oregon to the federal "Domestic Production Activities Deduction," incentivizing job creation concentrated in the manufacturing industry.

### Bill Summary:

- Federal law allows businesses to deduct up to 9% of their income from qualified production activities that occur in the United States. The deduction is limited to no more than 50% of actual wages paid.
- Around two-thirds of the federal deduction goes to manufacturing businesses, and most of the rest goes to information, natural resources, trade, and construction.
- SB 728 would connect the Oregon tax code to the federal deduction in order to incentivize Oregon businesses to create more jobs here at home.

### Talking Points

- SB 728 will stimulate our economy by incentivizing manufacturing business growth in Oregon, adding back solid blue collar jobs.
- This bill complements our recent efforts to expand high school CTE programs by ensuring that there are more jobs available for trained blue collar workers.
- This bill will create family wage jobs at a time when many Oregonians are still struggling to recover from the recession and underemployment remains high.
- LRO's preliminary estimate is that this will create 56 jobs each year.
- At a time when many companies are moving manufacturing operations overseas, we need to work with local businesses to help them keep manufacturing jobs here at home.

### Further Work

- Our focus should be on jobs, and this bill is intended to be the catalyst to start a conversation on tailoring the tax code to encourage Oregon businesses to create and retain jobs in Oregon.
- I look forward to working with the committee to any and all appropriate sideboards to ensure that this bill is focused on creating Oregon jobs.