

PRELIMINARY STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Action Date:

Action:

Meeting Dates:

Prepared By: Christine Broniak, Economist

WHAT THE MEASURE DOES:

Establishes criteria for cities or counties to be designated as job creation zones. Provides that, once designated a job creation zone, the city or county remains a job creation zone for ten years after no longer meeting the requirements. Prohibits the taxation of capital gains for residents of job creation zones. Allows the city or county designated as a job creation zone to waive any state regulation if the cost of compliance is greater than \$100,000 for individuals and businesses within the zone and the purpose of the regulation could be achieved through more cost-effective means. Changes income tax rates for job creation zone residents so that the 5 percent and 7 percent brackets are wider. Provides for an inflation adjustment of the amounts of taxable income. Extends the rates for nonpassive income attributable to any partnership or S corporation to sole proprietorships, single member limited liability companies, or other pass-through entities that are located in job creation zones. Provides for an inflation increase of the income brackets. Changes the criteria for businesses which may enter a qualifying investment contract with the governor. Creates a nonrefundable tax credit for businesses at 50 percent of the cost of providing paid family leave, paid sick time, or flex time to employees working in a job creation zone. Allows for an exception to a land use goal if the use is necessary for an employer to create five or more new jobs in the job creation zone. Establishes the Oregon Empowerment Scholarship Program to fund qualified expenses for postsecondary education for students in job creation zones. Requires the State Treasurer to create a separate account for each participating student and fund it with an amount equal to 90 percent of the statewide average distribution of the state school fund per student. Requires the State Treasurer to transfer five percent of the statewide average distribution to the school district in which the student resides and up to four percent of the statewide average distribution to a Department of Education Empowerment Account. Establishes this account.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND: