

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Action Date:

Action:

Meeting Dates:

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WHAT THE MEASURE DOES:

Moves the sunset date of the tax credit for contributions to a University Venture Development Fund from January 1, 2016 to January 1, 2024. Increases the maximum annual tax credit per taxpayer from \$50,000 to \$1 million. Changes the structure of the tax credit from one that is claimed in equal parts over three years with no carryforward to one that may be fully claimed in one year with a 3-year carryforward. Increases the program cap from \$8.4 million to \$25 million. Codifies the allocation process of tax credits among participating universities. Moves the reporting requirement from the individual universities to the Higher Education Coordinating Commission. The structural changes apply beginning with tax year 2016.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The University Venture Development Fund tax credit was created in 2005 as a means of providing capital for these funds. ORS 351.697(1) states that the purpose of these funds is to facilitate "...the commercialization of university research and development." The tax credit currently equals 60 percent of the contribution and may be taken evenly over three years, up to \$50,000 annually. Historically, roughly 70 personal income tax filers have claimed the tax credit each year. In total, these taxpayers claim and use roughly \$300,000 in tax credits annually.