

STAFF MEASURE SUMMARY

House Committee On Higher Education, Innovation, and Workforce Development

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 02/18/15

Action: Do Pass And Be Referred To Revenue By Prior Reference

Meeting Dates: 02/13, 02/18

House

Yeas: 9 - Gallegos, Hayden, Johnson, McKeown, Williamson, Read, Reardon, Whisnant, Nearman

Prepared By: Victoria Cox, Committee Administrator

WHAT THE MEASURE DOES:

Increases maximum amount of corporate excise tax credit allowed for qualified research activities. Provides for refundability of credit. Applies to tax years beginning on or after January 1, 2016. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Size of businesses impacted
- Growing local businesses easier than attracting new ones
- Applicability to businesses with limited revenue during start-up phase

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

ORS 317.152 and 317.154 provide for tax credits for expenditures funding qualified research conducted in Oregon. These credits were established in 1989 to encourage investment in Oregon research and development activities. House Bill 2752 increases the maximum credit allowed from \$1 million to \$2 million and provides for refunds if prepaid moneys exceed taxes imposed for the year.