

STAFF MEASURE SUMMARY**House Committee On Higher Education, Innovation, and Workforce Development****Fiscal:** Has minimal fiscal impact**Revenue:** Revenue impact issued**Action Date:** 04/03/15**Action:** Do Pass With Amendments, Be Printed Engrossed And Be Referred To Revenue By Prior Reference.**Meeting Dates:** 02/13, 04/03**Vote:**

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

Prepared By: Victoria Cox, Committee Administrator**WHAT THE MEASURE DOES:**

Extends sunset for tax credit for university venture development fund contributions. Provides that tax credit is to be claimed in one tax year. Creates carry over provisions for application of unused tax credits in succeeding tax years. Increases amount of total outstanding contributions and corresponding tax credit certificates allowed. Requires universities with university venture development funds to achieve annual agreement for allocation of available contribution amount. Requires Higher Education Coordinating Commission to gather information on program and report to Legislative Assembly annually. Applies to tax years beginning on or after January 1, 2016. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- History of university development funds
- Tax credit as incentive for investment
- Public/private partnership in commercialization of university research
- Need for larger caps on credits and total funds

EFFECT OF COMMITTEE AMENDMENT:

Creates carry over provisions for application of unused tax credits in succeeding tax years. Requires Higher Education Coordinating Commission to gather information on program and report to Legislative Assembly annually.

BACKGROUND:

ORS 351.697 allows public universities to establish venture development funds for the purpose of facilitating commercialization of university research and development. ORS 315.521 currently allows tax credits of 20% for contributions to a qualified fund not to exceed \$50,000 or the tax liability of the taxpayer for the year.

House Bill 2569-A extends the sunset for such contributions from 2016 to 2024 and requires the credit to be claimed in one tax year. Additionally, the measure increases the total amount of outstanding contributions and corresponding tax credit certificates from \$6 million to \$25 million. House Bill 2569-A also requires universities with venture development funds to collaborate on an annual agreement for the allocation of the contribution limit and HECC to report on the program annually to the Legislative Assembly.