

STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Action Date: 04/20/15

Action: Do Pass With Amendments. Refer To Tax Credits By Prior Reference
(Printed A-Eng).

Meeting Dates: 03/16, 04/20

Vote:

Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen

Prepared By: James LaBar, Committee Administrator

WHAT THE MEASURE DOES:

Creates tax credit of \$1,000 per job for taxpayers that create jobs above the community average wage. Limits the tax credit to businesses with 100 or fewer employees. Applies to tax years beginning on or after January 1, 2016. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Corresponding memo from Senate Business and Transportation Committee to Joint Committee on Tax Credits
- Current budget situation with tax credits in state
- Effectiveness of tax credit amount as a job creation incentive
- Focus on small businesses

EFFECT OF COMMITTEE AMENDMENT:

Changes the tax credit to \$1,000 per job. Requires jobs to earn above the community average wage to be eligible for the tax credit. Limits the tax credit to businesses with 100 or fewer employees.

BACKGROUND:

Senate Bill 801A incentivizes job creation through tax credits and is expected to be a positive revenue generator for Oregon through increased income taxes and reduced demands on social services.