

HB 2078 STAFF MEASURE SUMMARY

House Committee On Economic Development and Trade

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Sub-Referral To: Joint Committee On Tax Credits

Meeting Dates: 3/27, 4/3

WHAT THE MEASURE DOES:

Extends the sunset of qualified research tax credits from January 1st, 2018 to January 1st, 2024.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

Under current Oregon law, a tax credit exists for “qualified research activities” available for Oregon corporations to promote research and innovation. “Qualified research activities” are in-house and basic research payments to colleges or select non-profits for the research of advanced computing, advanced materials, biotechnology, electronic device technology, environmental technology, and straw utilization. Further, the tax credit is limited to \$1 million per taxpayer with a 5 year carryforward, and is currently scheduled to sunset on January 1, 2018. The Legislative Revenue Office's *Tax Credit Review: 2017 Session* research report indicates that in 2014 while roughly \$85 million in qualified research activity tax credits were claimed, roughly \$15 million were used.

House Bill 2078 would extend the qualified research tax credit until January 1st, 2024.