

**HB 3206 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Meeting Dates:** 4/4

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**WHAT THE MEASURE DOES:**

Creates six new income tax credits and modifies the R&D credits for taxpayers located in a qualifying county. Defines terms. Each of the new credits is nonrefundable and has a three year carryforward. The new tax credits are:

1. A 3% credit for the purchase of hardware or software for engaging in electronic commerce (Section 2)
2. A 12% credit for expenses for a business that establishes and implements an employee training program in collaboration with a local community college (Section 3)
3. A \$1,100 credit per eligible employee who is a graduate of the Oregon Institute of Technology in a new job; it may be claimed only for the tax year in which the employee completed the 24th consecutive month of employment. (Section 4)
4. A \$2,000 credit per new job for a new business that hires at least one full-time employee not previously employed by the business (Section 5)
5. A \$1,000 credit per new insured positions for businesses that hire a graduate of the Oregon Institute of Technology (Section 6)
6. A 25% credit for the rehabilitation costs, up to \$50,000, for a taxpayer who rehabilitates a vacant rural building for commercial use (Section 7)

Increases the R&D corporation tax credits from five percent of eligible expenses to eight percent, for eligible corporations located in a qualifying county. Moves the sunset date to January 1, 2024. (Sections 8-10)

The six new tax credits and increase to the R&D credits first apply to tax year 2017.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

**BACKGROUND:**