



April 5, 2017

Chair Ann Lininger
House Economic Development and Trade Committee
900 Court St. NE, H-485
Salem, Oregon 97301

Dear Chair Lininger,

The Portland Business Alliance has long advocated for policies that incent and inspire research and innovation in Oregon's economy.

The mobility of the research workforce allows such work to be performed virtually anywhere. Competition among states to attract these long-term, high-paying jobs and capital investments runs high because they generate valuable revenue for state and local governments. This is especially true for states highly dependent on personal income taxes to fund important public services and programs.

The R&D Tax Credit is intentionally designed to not be a corporate handout. A business cannot simply claim the credit for their existing research activities. Instead, a business must continually increase its investment in its workforce and equipment to qualify for the credit.

As a state, Oregon's vision is to be a leader in research and innovation to enhance our economic prosperity. The research credit is a valuable economic tool anchoring businesses performing these activities today and providing an incentive to attract new employers in the future. Any erosion of this tool will simply discourage private investment in our state.

We join our colleagues at Associated Oregon Industries and the Oregon Business Association in urging your support in renewing the R&D Tax Credit.

Thank you for your consideration.

Sincerely,

Sandra McDonough
President and CEO

cc: House Economic Development and Trade Committee members