

**HB 3383 STAFF MEASURE SUMMARY**

**House Committee On Business and Labor**

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**Prepared By:** Jan Nordlund, LPRO Analyst

**Sub-Referral To:** House Committee On Revenue

**Meeting Dates:** 4/10

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**WHAT THE MEASURE DOES:**

Establishes refundable tax credit against income or corporate excise taxes for employers in specified industries (animal production and aquaculture; crop production and support activities for crop production; fishing hunting and trapping; and food manufacturing) for wages paid to employees at or below specified rates. Limits total amount of credit that may be claimed in a fiscal year to \$50 million. Takes effect 91st day following adjournment sine die.

- Subsequent referral to House Revenue Committee
- Fiscal and revenue statements issued for purpose of moving measure to House Revenue

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

In 2016, the legislature set a seven-year schedule to raise the minimum wage to \$14.75/hour in the Portland Urban Growth Boundary, \$12.50 in specified nonurban counties, and \$13.50 in all other regions of Oregon. House Bill 3383 establishes tax credits for employers in agriculture and food manufacturing sectors for wages paid to employees at or below specified rates. The employer will not be allowed to receive a tax credit if they reduced employee wages with the intention of qualifying for the tax credit. The measure limits the total amount of tax credits to \$50 million per tax year.