

## Overview of HB 3146 -A12

Tax Incentive	Description	Current Law Wage Requirement	Change to Current Law w/HB 3146
<p><u>Enterprise Zone</u></p> <p><b>Sections 1-3</b></p>	<p>Property tax exemption to newly placed in service property of qualified business. Property tax exemption 3 years with option for additional 1-2 years. For additional 1-2 years, new employees of business must be compensated as specified.</p>	<p>If the enterprise zone is a rural enterprise zone or an urban zone located inside a metropolitan statistical area of fewer than 400,000 residents, for the property tax exemption to be extended an additional one or two years, new employees hired by the firm must be compensated at an average rate of at least 150% of the county average annual wage, as determined at time of authorization, in each of the one or two years of the extension.</p>	<ul style="list-style-type: none"> <li>• If enterprise zone is in a qualified rural county (outside MSA with min. property taxes imposed <math>\geq</math> 1.3% of TAV) compensation requirement reduced to 130% of county average annual wage</li> <li>• For all enterprise zone extensions, requires average wage received by new employees <math>\geq</math> 100% avg. wage in county</li> </ul>
<p><u>Long Term Rural Enterprise Zone (LTREZ)</u></p> <p><b>Sections 4-6</b></p>	<p>LTREZ program provides property tax exemption to qualified property of an eligible business located within a county that meets criteria necessary to be considered a county with chronically low income or chronic unemployment. The property tax exemption is available for 7-15 years and is applicable to new property and improvements of the qualified facility.</p>	<p>To qualify, business firm must meet employment and compensation requirements relating to employees hired at the facility. Average annual employee compensation required to be <math>\geq</math> 150% of average wage in county. Must be met with first 5 years of facility placed in service. Thereafter must continue to be met, but average county wage figure remains figure that was initially met.</p>	<ul style="list-style-type: none"> <li>• If LTREZ facility is located in qualified rural county (outside MSA with min. property taxes imposed <math>\geq</math> 1.3% of TAV) compensation requirement reduced to 130% of county average annual wage, with 130% ongoing requirement as well</li> <li>• In each year following initially meeting 150% or 130% requirement, avg. wage at facility must be <math>\geq</math> 100% of co. avg. wage</li> </ul>

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<p><u>Oregon Investment Advantage</u></p> <p><b>Sections 7-8</b></p>	<p>Provides a subtraction from taxable income available to businesses that build and operate a qualified facility in a qualified location. To qualify, facilities must: operative a minimum 10 years, hire at least five full-time employees and compensate employees as required.</p>	<p>Facility must compensate at:</p> <ul style="list-style-type: none"> <li>• 150 percent of the county per capita personal income of the county as of date of preliminary certification, <u>or</u></li> <li>• 100 percent of the county per capita personal income of the county if the business provides health insurance coverage to employees in amount equal to or exceeding health insurance benefits provided to employees of the city, port or county.</li> </ul>	<ul style="list-style-type: none"> <li>• If employees hired in county that is outside all MSAs, then compensation must average at least 130% of county per capita personal income of the county in which the facility is located as of date of preliminary certification</li> <li>• All facilities required to have avg. wage of newly hired employees <math>\geq</math> 100% avg. wage in county</li> </ul>
<p><u>Oregon Business Retention &amp; Expansion Program</u></p> <p><b>Sections 9-10</b></p>	<p>Provides forgivable loans to companies that have at least 150 employees and plans to hire 50 or more full-time employees in Oregon. Amount of the loan is limited to the personal income tax revenues estimated to be substantially equivalent to the amount of tax that eligible employees of an eligible employer will be required to pay in the two consecutive tax years beginning with the tax year following the tax year in which the employer receives certification. The program is capitalized with State Lottery Funds.</p>	<p>Employee compensation required to average the lesser of: at least 150% of the county or state average in annual per employee compensation.</p>	<p>If employees are to be hired in a county outside all MSAs then compensation required to average at least 130% of the lesser of county or state average annual per employee compensation.</p>
<p><u>Oregon Industrial Site Readiness</u></p>	<p>Statutory changes to program by measure are removed (program changed by enrolled SB 333)</p>		