

## Tribal Enterprise Zones

<b>ORS 285C.309</b>	Year Enacted: 2001	Transferable: No	
	Length: 1-year	Means Tested: No	
	Refundable: No	Carryforward: None	
<b>TER 1.419</b>	Kind of cap: None	Inflation Adjusted: No	

### *Policy Purpose*

Statute contains legislative findings in ORS 285C.303 that state, in part, that the purpose of this tax credit is “...to remove the tax disincentives that currently inhibit private business and industry from locating and operating enterprises within the boundaries of the rural Indian reservations of this state.”

### *Description and Revenue Impact*

Taxpayers operating a new business facility in a reservation enterprise zone or a reservation partnership zone are allowed to claim a tax credit equal to the amount of tribal property tax paid. If the business has not previously operated within the zone, the tax credit is equal to tribal taxes paid during the tax year. The credit is nonrefundable and may not be carried forward. Also, the credit is only allowed for taxes that are imposed on a uniform basis within the tribal territory.

The number of claimants has varied over the years. In some years, the data represent too few taxpayers to disclose. On average, between 2005 and 2014, roughly 15 taxpayers claim about \$15,000 in tax credits each year and are able to reduce their Oregon tax liability by about half that amount.

### *Policy Analysis and Other Issues*

Because the policy objectives of the three enterprise zone tax credits included in this section are substantially similar, the policy analysis is provided once at the end of this section, following the Electronic Commerce tax credit.

Reservation Zone	
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Ease of administration</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• Potentially uncertain cost</li> </ul>
<b>Potential Modifications</b>	<ul style="list-style-type: none"> <li>• Eliminate sunset date</li> </ul>