



For the House Committee on Economic Development Trade – House Bill 2243

Chair Lininger and members of the committee, following up on the public hearing on February 13, 2017, Business Oregon is pleased to offer here an idea of the results expected from enactment of HB 2443, as introduced. Please understand that these are rough extrapolations of really what we would hope the bill will achieve for Oregon and affected localities, building on prior testimony. Again, HB 2243's policy purpose is to extend, expand and enhance the investment tax credit that distinguishes the electronic commerce enterprise zone program in combination with the underlying zones' regular property tax incentive.

HB 2243 Provisions*	Based on Local Authorization Applications and Property Tax Abatements from County Assessor Reports for Qualified and Newly Qualifying Businesses*	
	2021–2022**	
	E-commerce businesses***	New full-time, direct jobs
Extend sunset date from end of 2017 to 2023, and technical/administrative improvements	70 – 90	3,000 – 4,500
<i>(Special Policy Proposals)</i>	<i>(Additionally)</i>	
Increase the number of enterprise zones allowed to have an e-commerce overlay by two a year over three years (2018, 2019 and 2020) for 21 in total	15 – 25	600 – 1,500
In lieu of carry-forward provisions, allow a taxpayer to receive a refund at 80% of the credit's otherwise unused face value, starting in 2019	40 – 90	800 – 2,400
TOTAL with Legislation	125 – 205	4,400 – 8,400
MEMO: Currently for 2016–2017	51	2,378

* HB 2243 would also have businesses include data about their claiming and using the investment tax credit, when they file annually for the property tax exemption. This would offer another source of information much more directly tied to the tax credit itself, apart from the business's confidential state income tax returns. Data would be used to more closely evaluate the program going forward in relation to the above or other employment figures.

** These predictions rely implicitly on several assumptions, such as a generally expanding economy; continuation of Oregon's current system of corporate and personal income taxation; additional e-commerce zones' tending toward smaller, rural communities, and that a refundable credit should induce quite a number of investments but by smaller firms.

*** As self-identified by the business in the application, regarding then proposed operations, and located in an electronic commerce enterprise zone.