

HB 3383 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Action Date: 04/10/17

Action: Without recommendation as to passage, refer to Revenue by prior reference.

Vote: 8-0-1-0

Yeas: 8 - Barreto, Bynum, Doherty, Evans, Fahey, Hack, Heard, Holvey

Exc: 1 - Kennemer

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Prepared By: Jan Nordlund, LPRO Analyst

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.

ISSUES DISCUSSED:

- Move to Revenue Committee without recommendation as to passage

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.