

SB 571 STAFF MEASURE SUMMARY

Senate Committee On Business and General Government

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Sub-Referral To: Senate Committee On Finance and Revenue

Meeting Dates: 1/31

WHAT THE MEASURE DOES:

Creates credit against income tax for employer with not more than 100 employees of \$1,000 per employment position created during tax year. Requires eligible employer to create at least 10 new positions during tax year. Requires positions remain filled for at least 12 consecutive months and provide compensation greater than median income in local community. Requires written certification of eligibility from Department of Revenue prior to claiming credit. Requires credits to not exceed tax liability and allows unused credits to be carried forward and offset against succeeding tax year income tax liability. Allows nonresident eligibility with prorated credit. Applies to tax years beginning January 1, 2020, and before January 1, 2026.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the U.S. Small Business Administration, 55% of Oregonians are employed by a small business and roughly 80,000 Oregon businesses have 20 or fewer employees. Senate Bill 571 creates a tax credit for employers with fewer than 100 employees who create 10 or more jobs that remain filled for 12 months or more and which provide compensation greater than the median income of their local community.