

# Gain Share and Strategic Investment Program

Senate Finance and Revenue

January 12, 2022

State of Oregon

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# The Strategic Investment Program

- A 15-year property tax exemption for certain capital investments
- The exemption applies to Real Market Value above a threshold
  - For urban projects, the threshold is \$100 million
  - For rural projects, the exemption depends on the investment amount
    - If < \$500M, the threshold is \$25M
    - If between \$500M and \$1B, the threshold is \$50M
    - If > \$1B, the threshold is \$100M
- Community service fees (negotiated) go to local governments





# Original Policy

- Created in 2007 to share marginal income tax gains with local governments
- For property tax exemptions beginning in 2008
- 50% of identified personal income taxes would be sent to local taxing districts
  - Effective for 2009 to 2018
- Businesses submit annual report to OBDD
  - Assessed value of taxable and exempt property – tax payments/savings
  - Average number of hires/employed for each eligible project
  - Annual taxable income and total compensation of qualifying hires/employee
  - Jobs data – numbers and amounts
- DAS is required to determine/estimates taxes and transfer funds





# 2013 and 2015 Policy Changes

- Technical changes/clarification (e.g., report deadlines, transfer and reporting responsibilities)
- Distinguishes between new jobs and retained jobs
  - 50% of identified personal income taxes for new jobs
  - 20% of identified personal income taxes for retained jobs
- Create a cap of \$16 million for transfers to an individual county
- Extends distributions through July 15, 2024
- DOR distributes funds to counties, who then distribute funds to taxing districts
  - Consistent with the distribution of community service fees

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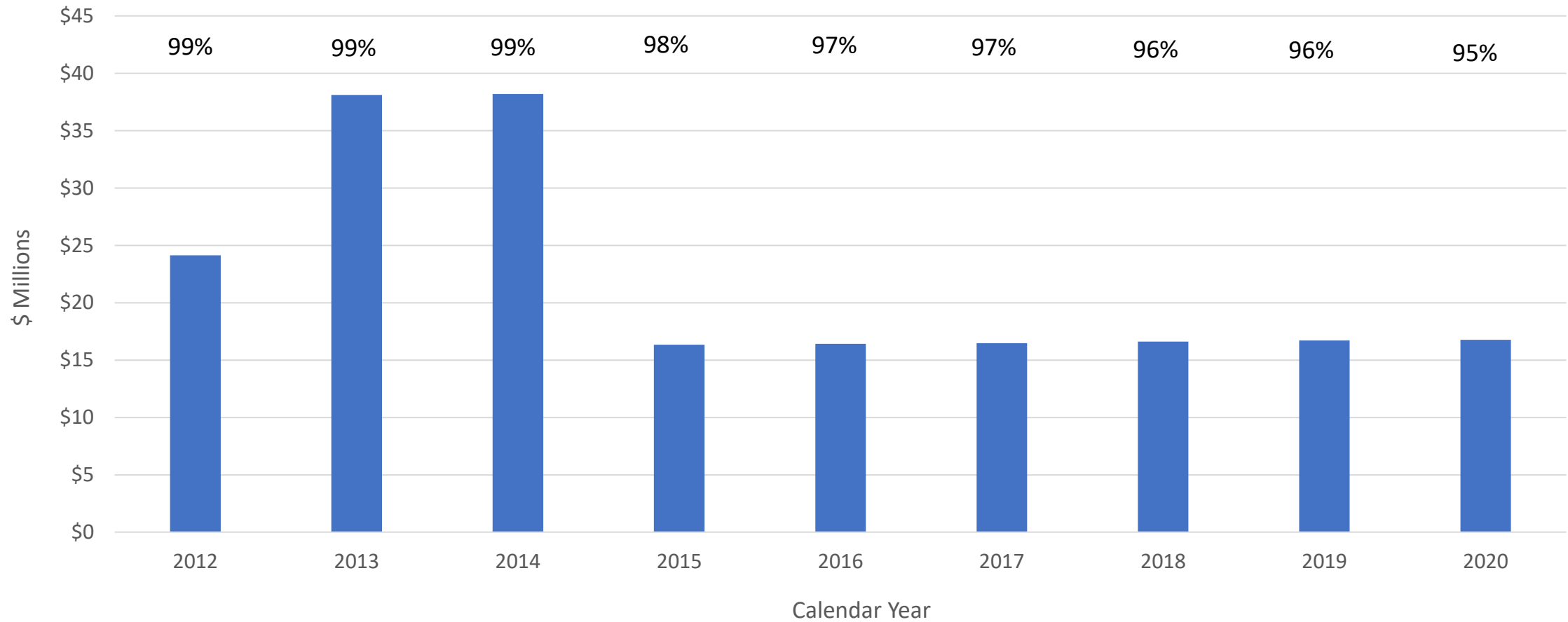
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# Total Transfer Amounts (\$M)

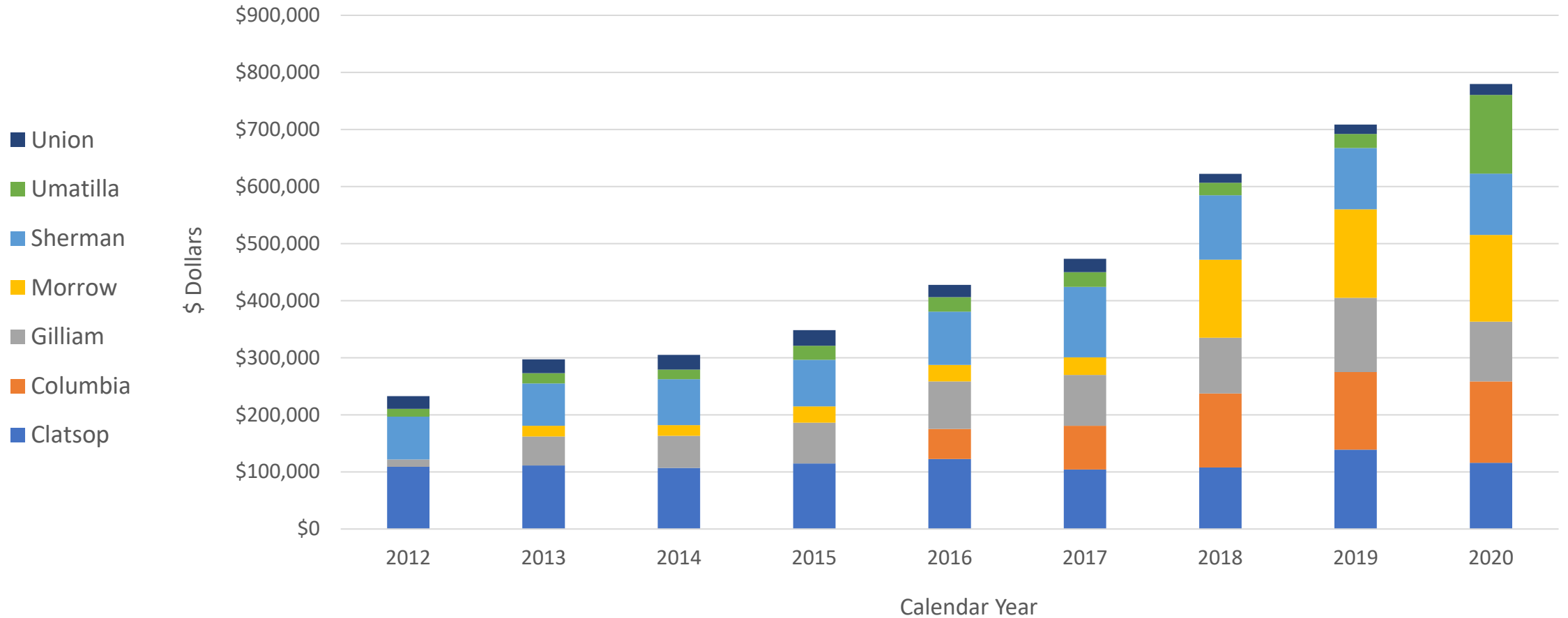
(and Washington County share)





# Amounts by County (\$)

(Other than Washington County)





# Valuable Data Links

- Business Oregon

[Business Oregon | Strategic Investment Program \(oregon4biz.com\)](http://oregon4biz.com)

- Department of Revenue

[Oregon Tax Expenditure Report - TE 2.100 \(Strategic Investment Program\)](#)

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# For More Information

- Legislative Revenue Office
- 900 Court St. NE, Room 160
- Salem, OR 97301
- 503-986-1266
- <https://www.oregonlegislature.gov/lro>

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