

Gain Share and Strategic Investment Program

Senate Finance and Revenue

February 27, 2023

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/estimate 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
- 2022 Session: Extended through July 15, 2025

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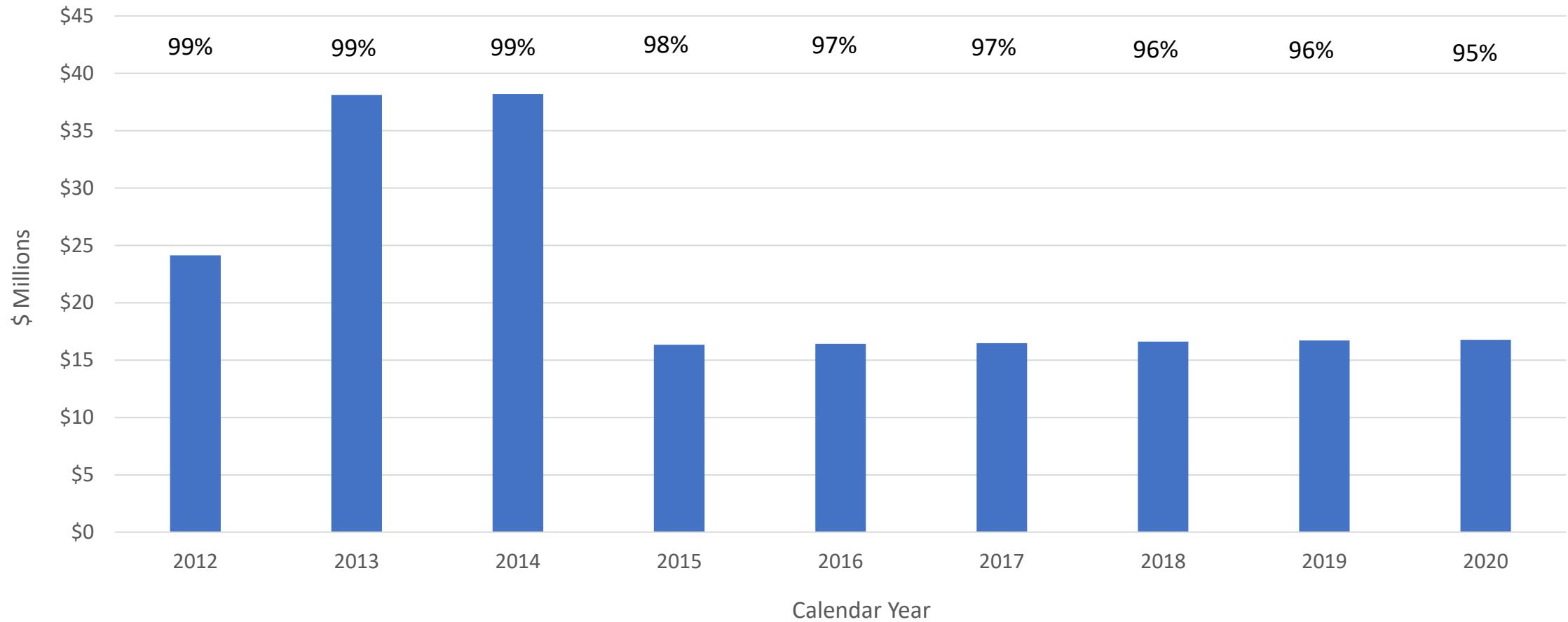
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Total Transfer Amounts (\$M)

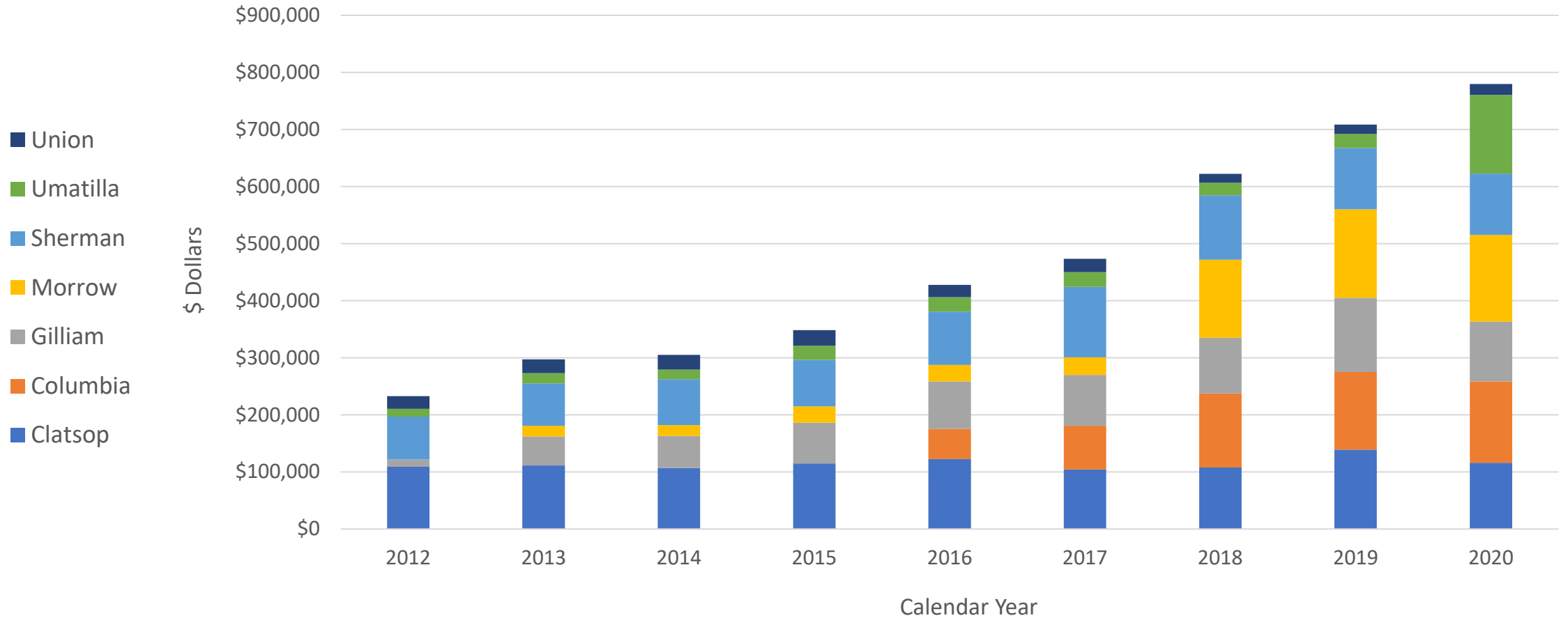
(and Washington County share)





Amounts by County (\$)

(Other than Washington County)





Valuable Data Links

- Business Oregon

[Business Oregon | Strategic Investment Program](#)

- Department of Revenue

[2023-25 Tax Expenditure Report - TE 2.100 \(Strategic Investment Program\)](#)

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For More Information

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