

Senator Mark Meek
Senate Committee on Finance and Revenue
Oregon State Legislature
900 Court Street
Salem, Oregon 97301

Dear Chair Meek and Members of the Committee:

On behalf of the undersigned companies representing Oregon's thriving semiconductor ecosystem and supporting tens of thousands of high-paying Oregon jobs, we call on the legislature to prioritize a complete semiconductor investment package, including industry priorities such as the R&D tax credit and extension of the Enterprise Zones and Gain Share programs.

As you know, the semiconductor industry is an integral part of Oregon's economy, employing over 40,000 Oregonians with high-paying jobs. The semiconductor industry works collaboratively with Oregon's world-class training system, building a pipeline for students from high schools, community colleges and universities to positions with our companies in the state. This has helped make Oregon one of the top semiconductor states in the country. Despite being a leader today, Oregon's position as a at the forefront of the U.S. innovation economy is not assured.

As a result of federal funding opportunities presented by the CHIPS and Science Act, states across the country are investing heavily to attract new semiconductor projects to their state. In fact, the CHIPS and Science Act requires any entity requesting federal CHIPS funding to demonstrate state incentives available to them. Despite many states already having passed their incentive packages, Oregon is rightfully acting quickly to make sure that the state also has its incentive package in place ahead of CHIPS applications opening this spring.

Given the imminent timing of CHIPS Act applications opening, it is essential that the legislature pass Oregon's incentive package in one holistic package, early in the session without leaving priorities such as the tax incentives to later in the session. Oregon companies are preparing their CHIPS applications today and aim to submit them quickly once the Commerce Department begins accepting them. That's because applications will be reviewed by Commerce on a rolling basis. Delaying a substantial part of the package to later in the session means disadvantaging companies, either by weakening their applications to the Commerce Department or by delaying their applications and putting them at the back of the line.

As just one example, every state investing heavily today to build their semiconductor industries, including New York, Ohio, Arizona, and more, have a robust research and development tax credit. R&D is the lifeblood of the semiconductor industry – the U.S. industry invests over \$50 billion into research, representing nearly 20% of revenue. Research in our industry means high-paying jobs, and research is an integral part of every semiconductor facility. Leaving important incentives such as an improved R&D tax credit to a later time in the session means Oregon risks falling behind other states in attracting CHIPS-eligible projects.

Thank you for your work on this very important committee. All our companies support the work being undertaken in the legislature to solidify Oregon's position as a world leader in the semiconductor industry and look forward to continuing to work with you on this important area.

