

## Testimony opposed to SB 669

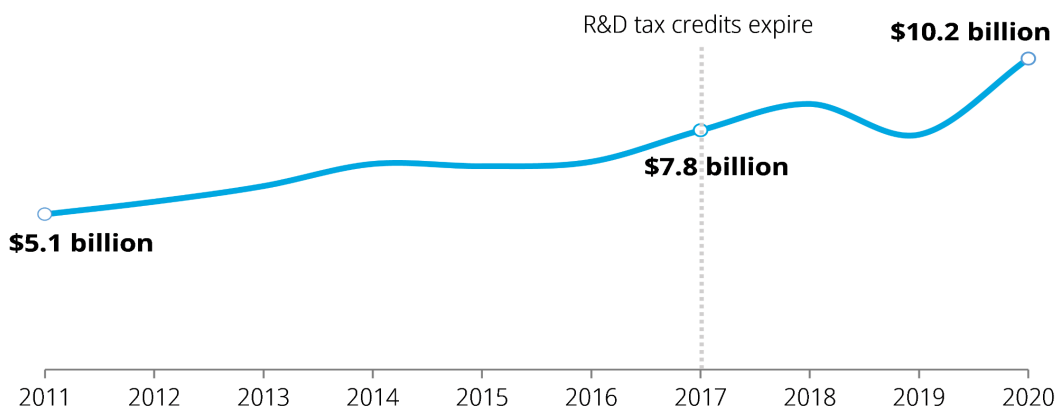
Chair Meek, Vice-Chair Boquist, and Members of the Committee,

My name is Nhi Nguyễn, Policy Analyst for the Oregon Center for Public Policy, and I respectfully submit this testimony in opposition to SB 669 on behalf of the Center. The Oregon Center for Public Policy is a nonpartisan think tank dedicated to improving the economic outcomes for all Oregonians, particularly low-income families and Oregonians of color, through research and analysis.

In 2017, the Oregon legislature chose not to renew the Qualified Research Activities tax credit in the absence of sufficient evidence that this R&D tax credit resulted in companies undertaking activity that otherwise wouldn't occur. Time has shown that letting the tax credit expire was the correct decision. Reinstating the credit would be a waste of public resources that could be used to address the pressing needs of Oregonians.

### Industry research spending climbed after tax credits expired

Industry research and development spending in Oregon in 2020 dollars



Source: OCPP analysis of National Science Foundation data.

Oregon Center for Public Policy | OCPP.org

Even without the tax credit, industry's spending on research and development in Oregon, adjusted to 2020 dollars, continued to climb. In 2017, the last year the Qualified Research and Activities tax credit was in place, businesses spent \$7.8 billion dollars in R&D in Oregon. In 2020, the year with the most recently available data, that figure had risen to \$10.2 billion, a 30 percent increase.

Oregon consistently ranks near the top in industry R&D spending as a share of the private-sector economy. In 2017, our state ranked fifth in the nation, with private companies spending 3.8% of private GDP on research and development. In 2020, that rose to 4.7% and Oregon ranked fourth nationwide, despite having no R&D tax credit.

If the intent of this bill is to help attract semiconductor investment and federal CHIPS and Science Act funding, there are better ways for Oregon to create a package of incentives that works for industry and Oregonians. In a paper we recently published, submitted for the record, we make clear that investing in people and place, in Oregonians and in our shared infrastructure, is a much better investment.

We urge you to oppose SB 669.

**Our mission is to achieve economic justice for all Oregonians through research, analysis, and advocacy.**

6420 S Macadam, Suite 200 ■ Portland, OR 97239-0127 ■ 971-279-4732 ■ [OCPP.org](https://ocpp.org)

