



Date: February 28, 2023

To: Chair and Members of the Senate Finance and Revenue Committee

From: Scott Bruun, OBI

RE: Testimony in support of SB 669 / R&D Tax Credit

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Chair Meek and Members of the Committee,

I am Scott Bruun, director of tax, fiscal and manufacturing policy for Oregon Business & Industry. OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians.

Thank you for the opportunity to testify on this bill. As we testified a couple weeks ago, OBI strongly supports bringing an R&D tax credit back to Oregon. We appreciate that Senator Knopp has continued this important conversation with the introduction of SB 669.

As Senator Knopp noted, SB 669 is a potential starting place, and we appreciate that he is open to amendments. We believe that any actual moved legislation will need to be designed to account for market needs and demands, as well as stand up competitively to the incentives we see in other states.

We would note for the record that SB 55, which you heard two weeks ago, has many of the attributes that would help make Oregon a viable center of research and innovation. And if the final product were to include the concepts that Senator Knopp discussed in his testimony, it would make Oregon a global center for research and innovation.

As we testified two weeks ago, we believe that the right R&D tax credit may be the most important economic growth and job-creating policy tool that the legislature can pass this session. We also believe that failure to pass a meaningful R&D tax credit this session will be seen nationally, even internationally, as a massive lost opportunity on Oregon's part.

Oregon is one of only 12 states that does not have an R&D tax credit tool. And incidentally, we are the only state attempting to position itself in serious consideration for federal CHIPS Act investments without an R&D credit.

An R&D tax credit, done right, is an investment in Oregon's future. It's an investment in science, and research, and development which would yield future high paying jobs, more

invested capital, more capital formation in Oregon, and higher business and corporate profits. This, in turn, will yield greater tax revenues back to the state treasury. 38 other states have an R&D credit for that exact reason. We encourage Oregon to do the same.

Please move to pass a meaningful and competitive research and development credit this session.

Thank you.

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