

ADVOCATE. CULTIVATE. EDUCATE.

oregonbio.org

April 5, 2023

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

The Oregon Bioscience Association (Oregon Bio) is Oregon's voice for the growth of our bioscience sector. Our members are involved in cutting-edge research and development of innovative healthcare, agricultural, and environmental, biological, and medical technologies. They range from entrepreneurial startups developing a first product to large multinational therapeutic and device companies. We also represent the state's biotech research institutions, service providers to the industry, and academic centers of learning. Oregon Bio promotes the growth of and continually seeks ways to support sustainability in the life science, bioscience, biotechnology and device manufacturing sectors here in Oregon. As measured by our 2022 economic impact study, our growing bioscience industry has created nearly 66,000 jobs and \$16 billion of total economic activity in Oregon, as well as \$1.7 billion in tax and fee revenues for the State and local governments.

Today, we are supporting the Committee's review and analysis of the Research and Development (R&D) Tax Credits and extension of the Enterprise Zone & Gain Share Program. States that enact tax credit and abatement legislation are helping to mitigate the significant risks associated with R&D in biotechnology. These efforts are a component in building and growing a thriving biotechnology industry hub in a state and in maintaining the dominant US position as the center of biotechnology innovation.

- **State R&D tax credits decrease the risks associated with investing in research-intensive biotechnology companies because the credits provide immediate tax benefits to qualifying companies, freeing up additional capital that can be invested in this high-tech business sector.** Oregon is one of only 12 states without a tax credit to facilitate private-sector research, meaning we are less competitive when attracting investments and high-paying jobs, resulting in increased tax revenue, to our state. For example, due to the drawn-out nature of the biopharmaceutical development process, small biotechnology companies often have difficulty obtaining early-stage financing for their research. Given that these smaller biotech companies are not yet profitable, they are unable to immediately use their tax assets to offset income.
- **Our sector offers significantly higher wages than most industries, meaning that a small offset in property tax collection up front, from the Enterprise Zone program, results in immediate state income tax revenue.** Our existing biotech manufacturers have received property tax abatements for investment and expansion – these were critical for their internal company decisions to

Platinum MembersAbsci
Amgen
Biogen
BIOTRONIK
CAI
Genentech
Micro Systems Engineering
PhRMA
Skanska
Twist Bioscience
VWR, a part of Avantor**Diamond Members**BIO
Davis Wright Tremaine
Lilly
Novo Nordisk
OHSU
TE Connectivity
Thermo Fisher Scientific
University of Oregon**Emerald Members**Bristol Myers Squibb
Horizon Pharma
Johnson & Johnson
Merck
Sanofi**Gold Members**Acumed
AdvaMed
CSL Behring
Gilead
Lonza
Novartis
OBI
Pfizer
Sunovion
UCB
Ultragenyx Pharmaceuticals
Vertex**Silver Members**Abbott
Fortis Construction
Intra-Cellular Therapies
Miller Nash
Mortenson
OSRAM
Perkins Coie
Sarepta
Shimadzu USA Manufacturing
Siemens Industry
The Commerce Bank of Oregon

ADVOCATE. CULTIVATE. EDUCATE.

locate or expand in Oregon, allowing us to maintain our existing biotech employers. The requirements of the enterprise zone program allow for biotech to consider siting beyond its current footprint into rural communities or other places needing access to higher wage technical and professional careers. Further, the type of capital involved in our facilities results in long-term sustainable property tax revenue for cities, counties and school districts.

- **Some of Oregon's largest contributors of income tax revenue for the state participate in the Gain Share program and are biotech manufacturers.** This program allows the local government to attract new investment, then share some of the resulting income tax. Gain Share Credits work in tandem with the Strategic Investment Program (SIP) to enable communities to attract large-scale, private investment – bringing jobs and tax revenue along with it. It's advantageous not only for business, but also state and local governments.

Research in our sector not only makes economic sense, but can lead to Oregon developed therapies, treatments, devices and cures. **By supporting SB 1084, this legislation has the opportunity to further Oregon's bioscience sector by incentivizing organizations to expand into our state through R&D tax credits and Enterprise Zone & Gain Share extensions.**

We look forward to continuing to work with this Committee as we advocate for Oregon's bioscience industry.

Sincerely,



Liisa Bozinovic
Executive Director
Oregon Bioscience Association



Brian Warren
Director of Government Affairs
Biotechnology Innovation Organization

oregonbio.org

Platinum Members

Absci
Amgen
Biogen
BIOTRONIK
CAI
Genentech
Micro Systems Engineering
PhRMA
Skanska
Twist Bioscience
VWR, a part of Avantor

Diamond Members

BIO
Davis Wright Tremaine
Lilly
Novo Nordisk
OHSU
TE Connectivity
Thermo Fisher Scientific
University of Oregon

Emerald Members

Bristol Myers Squibb
Horizon Pharma
Johnson & Johnson
Merck
Sanofi

Gold Members

Acumed
AdvaMed
CSL Behring
Gilead
Lonza
Novartis
OBI
Pfizer
Sunovion
UCB
Ultragenyx Pharmaceuticals
Vertex

Silver Members

Abbott
Fortis Construction
Intra-Cellular Therapies
Miller Nash
Mortenson
OSRAM
Perkins Coie
Sarepta
Shimadzu USA Manufacturing
Siemens Industry
The Commerce Bank of Oregon