

To: Oregon Senate Committee on Finance and Revenue
From: Oregon Life Sciences Association
Re: Support of SB 1586

February 20, 2026

Chair Broadman and Members of the Committee,

Oregon Life Sciences submits this written testimony in support of SB 1586, with specific emphasis on the R&D tax credit provisions and their relevance to Oregon's life sciences sector.

Life sciences represent a significant and growing component of Oregon's economy. The sector includes research, development, scale-up, and manufacturing activity and supports high-wage employment and long-term career pathways across the state, including outside the Portland metropolitan area.

Oregon's life sciences sector includes nearly 2,000 companies employing more than 20,000 workers statewide, with average annual wages exceeding \$100,000. Approximately 37 percent of Oregon's private bioscience companies are located outside the Portland metro region, contributing to regional economies in the Willamette Valley, Central Oregon, Southern Oregon, and other communities.

The sector also generates substantial indirect economic activity. For every 10 jobs in life sciences, an estimated 17 additional jobs are supported elsewhere in the economy, resulting in approximately 75,000 total jobs statewide. These include positions in construction, professional services, logistics, and supplier industries that contribute directly to Oregon's tax base.

Location and investment decisions in life sciences occur well in advance of revenue generation or manufacturing build-out. Research and development activity is typically the first phase of investment and often determines whether subsequent expansion, manufacturing, or acquisition activity remains in a given state. During mergers and acquisitions, companies similarly evaluate whether to retain R&D and associated jobs locally or consolidate operations elsewhere. State-level policy signals at the R&D stage therefore play a critical role in long-term economic outcomes.

At least 37 states currently offer a state-level R&D tax credit. In the absence of a comparable incentive, Oregon is frequently excluded from early consideration, before employment growth, capital investment, or long-term tax base development can occur. The R&D provisions in SB 1586 extend the existing credit for six years and expand eligibility to include advanced manufacturing and biotechnology. The credit remains capped and subject to certification, limiting fiscal exposure and ensuring that benefits apply only to Oregon-based activity.

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SB 1586 reflects an understanding that research, development, and scale-up are integral components of advanced manufacturing. The bill is structured to support early-stage competitiveness while maintaining fiscal discipline and encouraging long-term economic growth.

For these reasons, I support SB 1586 and respectfully submit this testimony for the Committee's consideration.

Respectfully,



Liisa Bozinovic
Executive Director

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