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Testimony in Support of SB 1586 and the -7 Amendment

Chair Broadman, Vice-Chair McLane, and distinguished members of the committee. Thank you for the opportunity to submit this testimony in support of the -7 amendment to SB1586, specifically the provision creating a new Research & Development (R&D) tax credit for other advanced manufacturing sectors in Oregon. For the record, my name is Harry Clapsis, and I lead government affairs for Ampere Computing, a semiconductor company employing over two hundred people in Portland's Pearl District.

In 2023, Ampere Computing strongly advocated for the semiconductor R&D tax credit, and we remain grateful to the legislature for its creation. This credit has been incredibly beneficial for Ampere, demonstrating precisely why such incentives are vital:

- **Fosters Innovation & Competitiveness:** The credit has enabled Ampere to invest more aggressively in cutting-edge R&D right here in Oregon, keeping us at the forefront of the global semiconductor industry.
- **Creates High-Wage Jobs:** The credit has helped us fortify our local R&D operations, allowing us to hire and retain top-tier engineers in Portland.

Ampere Computing enthusiastically supports the legislature creating a similar, dedicated R&D tax credit for other advanced manufacturing companies in Oregon. This is a critical step towards broadening the economic benefits of R&D incentives across our state. To be clear: Ampere Computing would not be a beneficiary of the R&D credit outlined in this specific bill. We receive the existing semiconductor R&D credit. We appreciate the bill's thoughtful approach of creating a separate, distinct, and incrementally funded credit while preventing companies from receiving the benefit of both. This strategy ensures focused support where it is most needed without diluting or oversubscribing existing, successful programs like the semiconductor credit. We urge the legislature to continue this approach of creating two distinct credits, without overlap.

As we work to restore and fortify Oregon's economy, we must expand our economic development tools. Our direct experience confirms that a well-designed R&D tax credit is an effective tool that more companies across Oregon's advanced manufacturing sectors should benefit from. This bill will diversify Oregon's innovative capacity beyond just semiconductors, enhance our state's competitiveness, and create more high-value jobs.

The success of the semiconductor R&D tax credit speaks for itself. By creating a new, separate R&D credit for other advanced manufacturing companies, the -7 amendment to SB1586 represents a strategic investment in Oregon's future. It will foster innovation, create quality jobs, and strengthen our economic foundation.

We strongly encourage you to support the -7 amendment of SB1586. Thank you.