



Date: February 23, 2026
To: Senate Committee on Finance and Revenue
From: Mike Powers, SEIU Local 503
RE: Oppose SB 1586

Chair Broadman, Vice-Chair McLane, Members of the Committee:

For the record, my name is Mike Powers. I represent our Union, SEIU Local 503. I am here today to express our concerns with Senate Bill 1586 and amendments.

We share the goal of creating good-paying jobs and strengthening Oregon's economy. We understand that there are short-term benefits from the construction jobs that infrastructure investments such as these can create. However, we have concerns about the approach of this bill even as amended and the longer-term impacts.

In our understanding, this complicated bill will double tax subsidies available for semiconductor companies and advanced manufacturing, while also removing the cap for the largest corporations. It appears to do this without strengthening sideboards and accountability for job creation and investment in local communities. Oregon taxpayers could spend hundreds of millions of dollars without guarantees that these investments will produce living-wage jobs or long-term economic growth.

These impacts are not theoretical. In 2023, the Legislature passed Senate Bill 4, which set aside \$200 million to invest in Oregon's semiconductor industry. The single largest investment from the bill was \$115 million to a large Washington County employer that subsequently turned around and eliminated 3,100 jobs over the past 3 years. This bill was also described as a job creator, yet those losses have been nowhere near offset – the Oregon CHIPS biannual report #2 reported that only 509 jobs have been created.

More recently, this committee worked on SB 1507 to protect the stability of our state revenues. In SB 1507, the Legislature acknowledged the importance of safeguarding Oregon's tax base and ensuring we are not undermining our ability to fund core priorities.

Yet SB 1586 asks Oregon taxpayers to take on significant additional financial risk without clear guarantees of meaningful economic benefit. For my members, as currently drafted, the risks do not outweigh the benefits, especially when Oregon is staring down a looming budget crisis being manufactured by the federal



government's ongoing attacks to essential programs that working class people rely on.

Indeed, SB 1586 would create a major and growing hole in the state budget in future years by expanding and removing limits on the expensive tax credits. The bill eliminates the cap on refundability for large corporations in the semiconductor R&D credit and allows the manufacturing credit to operate without similar limits, meaning very large companies could claim a significant share of the benefits that were originally intended to support smaller, emerging businesses.

Even more concerning, the bill extends the program's sunset to 2036 without setting credit certification limits after the 2030–2031 fiscal year, effectively making the tax credits unlimited for several years. Very preliminary estimates show that this could cost the state budget hundreds of millions of dollars in the 2029 – 2031 biennium, and anywhere from less than \$1 billion to over \$2 billion over a 10-year period. Thing is, we don't know.

For these reasons, we do not believe SB 1586 or the amendments are ready to move forward. We respectfully urge you to pursue more targeted, accountable strategies to create good-paying jobs and support Oregon's long-term economic health.

Thank you for your consideration.