



SB 1586 -7, -8 Tax Breaks for Advanced Mfg. and Data Centers

Testimony for the Senate Committee on Finance and Revenue– John Calhoun – 2.23.2026

SB 1586 creates a new R&D tax credit for “advanced manufacturing.” Tax Fairness Oregon has opposed the R&D tax credit for years and can claim some credit for getting an earlier legislature to let it fade away. Our testimony and industry testimony made the point that the state R&D tax credit did not incentivize any new research and was simply a waste of taxpayer money. Despite that a more recent legislature renewed the concept in a rush to get federal semiconductor funds. Adding millions more will not get us more federal funds and will just waste more tax dollars.

I was an Intel financial executive at the creation of R&D tax policies at the national level in the 1980’s and I had extensive experience with the legislation and how it shaped internal investments. I would be glad to share that again with anyone who is interested.

However, today I want to use my time to support the -8 from Senator Golden. This amendment would stop the wasteful subsidies for unpopular data centers. I am truly puzzled by this session’s attempt to increase the length of time companies can get property tax subsidies for data centers. Across the nation, communities and states are mobilizing to keep data centers out. They bring few on-going jobs while creating chaos in electrical networks and increased costs to residents. They also produce environmental damage and have devoured critical industrial land in Washington county that could have been used to bring in manufacturing with much greater economic benefits to the state.

A rapidly growing number of Oregonians are getting angry about having data centers near them, let alone throwing money at the private equity firms and multinational companies behind them. I anticipate this anger to grow over time and voters will not be happy to find that their legislators voted for funds that could be used for schools that went instead to Elon Musk, Mark Zuckerberg, and Jeff Bezos if the -8 is not passed.

Not acting until next year after the Governor’s task force on data center completes their report could result in a rush by companies to take advantage of the expansion of enterprise zone tax benefits in the Governor’s House bill to get in before property tax exemptions for data centers are closed in next year’s session.

I truly hope that every Senator on this committee reads the [article in the Oregonian](#) by Mike Rogoway that was published over the weekend on data center tax breaks. Mike is a much better writer than I am and is one of the most knowledgeable experts on this subject. His article clearly lays out the issues that the -8 is designed to fix. We hope that you will support the -8.

We read the bills and follow the money