

REVENUE: Revenue Impact Issued

FISCAL: Minimal Fiscal Impact, no statement issued

Action: Do Pass as Amended and be Printed A-Engrossed

Vote: 10-0-0

Yeas: Bailey, Bentz, Berger, Bruun, Gelser, Kahl, Read, Riley, Sprenger, Barnhart

Nays: 0

Exc.: 0

Prepared By: Chris Allanach, Economist

Meeting Dates: 6/25

WHAT THE BILL DOES: Increases the annual cap on the amount of tax credits for contributions to the Oregon Production Investment Fund from \$5 million to \$7.5 million. Clarifies the definition of expenses eligible for reimbursement. Resolves conflict with SB 863.

ISSUES DISCUSSED:

- Reducing the discount rate for the tax credit
- The impact on jobs and tourism
- Definitions in SB 863 and SB 621

EFFECT OF COMMITTEE AMENDMENTS: Resolves conflict with SB 863.

BACKGROUND: This credit was created by the 2003 Legislature and included an annual limit of \$1 million of credits to be issued. That limit was increased to \$5 million by the 2007 Legislature. Taxpayers receive a credit equal to 110 percent of their contribution to the fund. A 2008 study by ECONorthwest concluded that between 2002 and 2007 industry output grew by 64 percent and employment grew by 21 percent. During this same time period Oregon's Gross State Product grew by 35 percent and total, non-farm employment grew by just over 9%.