

77TH OREGON LEGISLATIVE ASSEMBLY  
2013 REGULAR SESSION  
STAFF MEASURE SUMMARY  
SENATE FINANCE AND REVENUE COMMITTEE

MEASURE: HB 2763 - C  
CARRIER: Sen. Burdick

**REVENUE: Revenue Impact Statement Issued**  
**FISCAL: Minimal Fiscal Impact, no statement issued**

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**Action:** Do Pass with Amendments to the B-Eng Bill. (Printed C-Eng.)

**Vote:** 4-0-1

**Yeas:** George, Hass, Rosenbaum, Burdick

**Nays:** 0

**Exc.:** Baertschiger

**Prepared By:** Chris Allanach, Economist

**Meeting Dates:** 6/19

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**WHAT THE BILL DOES:** Increases the maximum amount of qualified low-income community investments eligible for the tax credit from \$4 million to \$8 million. Establishes a five-year carryforward for the tax credit. Makes technical changes to the timing of issuing the investment for environmental projects. Ignores the Qualified Equity Investment tax credit when applying the amount of corporate taxes used in the calculation of the retaliatory tax. Requires the Oregon Business Development Department to disclose certain information related to the issuance of the tax credits. The changes to the investment cap and carryforward apply to tax years beginning on or after January 1, 2014. The change pertaining to environmental projects applies to investments made on or after July 1, 2012. The change affecting the retaliatory tax applies to tax years beginning on or after January 1, 2013.

**ISSUES DISCUSSED:**

- Intent of the tax credit program as a business incubator
- Impact of changes on the effectiveness of the program
- Value of transparency for the program
- Appropriate use of public dollars
- Connection to the corresponding federal program

**EFFECT OF COMMITTEE AMENDMENTS:** Removes the policy that would have allowed taxpayers to claim less than the full amount of the tax credit; Establishes a five-year carryforward; Changes the new investment cap to \$8 million; requires the Oregon Business Development Department to disclose certain information related to the issuance of the tax credits.

**BACKGROUND:** The Oregon Low Income Community Jobs Initiative, also known as the Oregon New Markets Tax Credit program, was created in 2011. It is a financing tool that provides incentives for qualifying business projects in low-income areas with the intent of stimulating investment in such areas. The Oregon program is tied to the federal New Markets Tax Credit.

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