



March 11, 2019

House Committee on Revenue
900 Court St NE
Salem, OR 97301

RE: House Bill 2144 Requires addition to federal taxable income of amounts deducted as gain attributable to investment in federal qualified opportunity zone.

Dear Chair Nathanson, Vice-Chair Findley, Vice-Chair Marsh and members of the House Committee on Revenue,

On behalf of the City of Beaverton, I am writing to oppose House Bill 2144. Opportunity Zones are a significant attractor for local investments in economically disadvantaged locations, driving investments in properties that may otherwise sit idle. Beaverton has two Opportunity Zones located in areas once impacted by the economic downturn and both still include blighted property that we want to see redeveloped with property tax-generating economic investment.

The area currently encompasses a variety of industries, including tech firms, manufacturing and commercial—all proximate to major transit service and housing development that will be catalytic to the growth of downtown Beaverton.

One of the major incentives of Opportunity Zone investment, the increase in basis encouraged by long-term investment, is completely eliminated for Oregon tax purposes. The bill also proposes to eliminate the deferral of taxation of capital gains for Opportunity Zone investments and makes this gain subject to state taxes during the federal tax deferral period, reducing the overall investment opportunity. This makes Oregon Opportunity Zones less attractive for investment and those dollars will go to other states.

We should not put Oregon at a competitive disadvantage for attracting economic development investment in communities across Oregon.

For all of these reasons, I urge you to oppose HB 2144 and maintain an essential tool to stimulate local economic investment, property tax generation and job creation in the most needed areas in our community.

Sincerely,

A handwritten signature in black ink that reads "Cheryl Twete". The signature is written in a cursive, flowing style.

Cheryl Twete
Community Development Director