

HB 2144 Opportunity Zones -Support

March 11, 2019

Chair Nathanson, Vice-Chairs Marsh and Findley, and Members of the Committee:

OWRC urges you to support HB 2144, the Oregon tax treatment of a Federal program designed to stimulate investment in “zones” based on census tract poverty levels. This new program is attracting much attention, but final regulations have yet to be adopted by the IRS.

Our support of this bill stems from our long-term study of the New Market Tax Credits, another federal program based on census tract poverty levels for investment.

The opponents of this bill will say that investment will avoid Oregon investment because we do not allow the Federal tax treatment to flow through to Oregon. We do not think that is the case. We use the Oregon experience with New Market Tax Credits investments to illustrate this point.

CDFI data sets on the NMTC show the following: 1.

Oregon NMTC Investments 2004-2011 \$ 651,660,067

Oregon NMTC Investments 2012-2016 \$ 287,296,790

Oregon passed a state NMTC tax treatment in 2011 session, but investment in NMTC was already well underway in Oregon, even as the economy was faltering.

Will investors shy away from in our neighbor state to the north because there is no additional tax treatment as they do not have an income tax? We do not think so.

We urge you to pass HB 2144.

Marcia Kelley

Public Policy Advocate

1, 2018 New Market Tax Credit Public Data Releases Source Data 2018. CDFI Fund Website.

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