

Economic Development Tools

House Revenue

March 16, 2023

State of Oregon

LEGISLATIVE REVENUE OFFICE





Development Strategies

Recruitment

- Business Complements
- Potential Risk

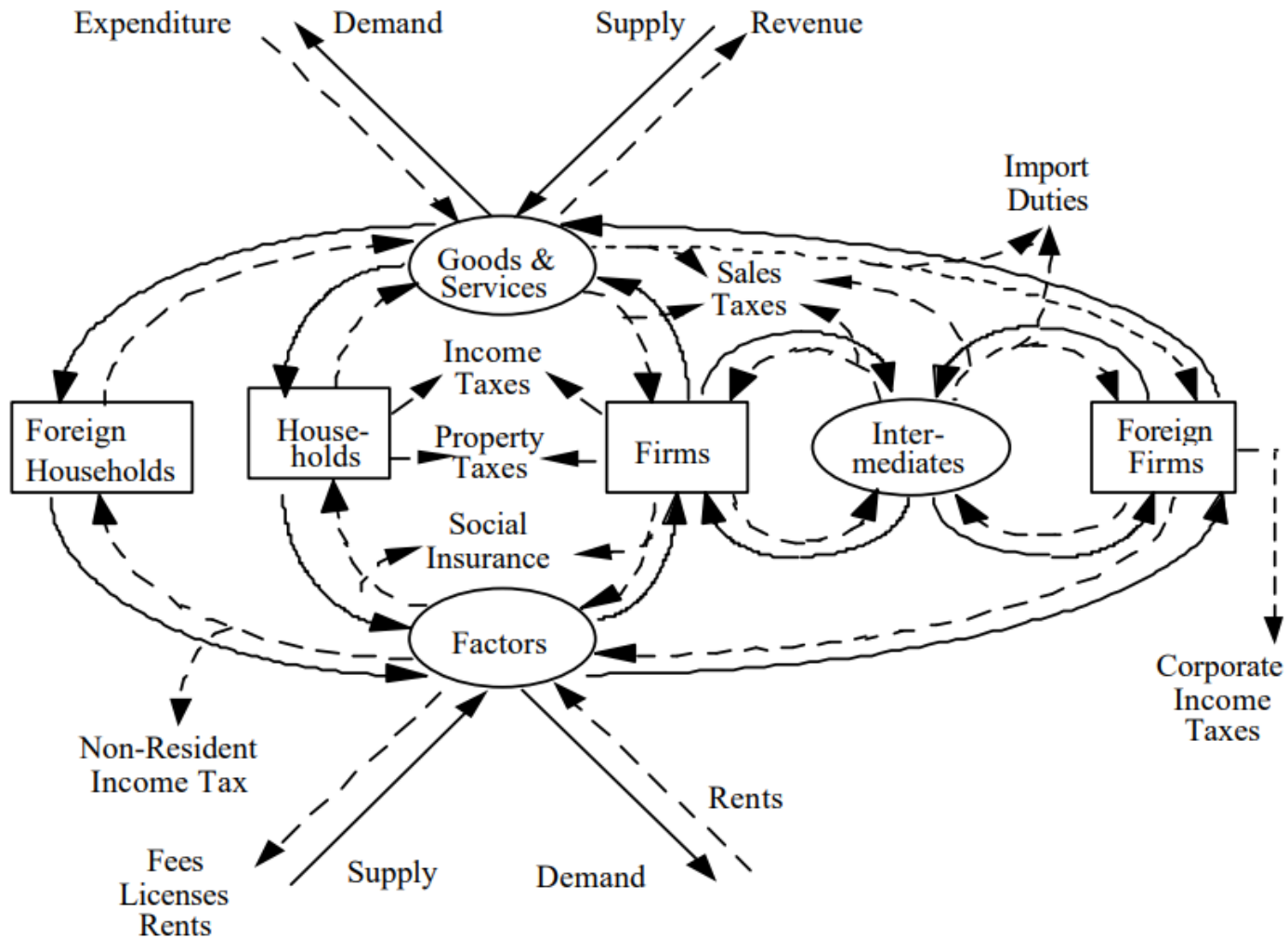
Retention & Expansion

- Comparative Advantage
- Agglomeration Forces



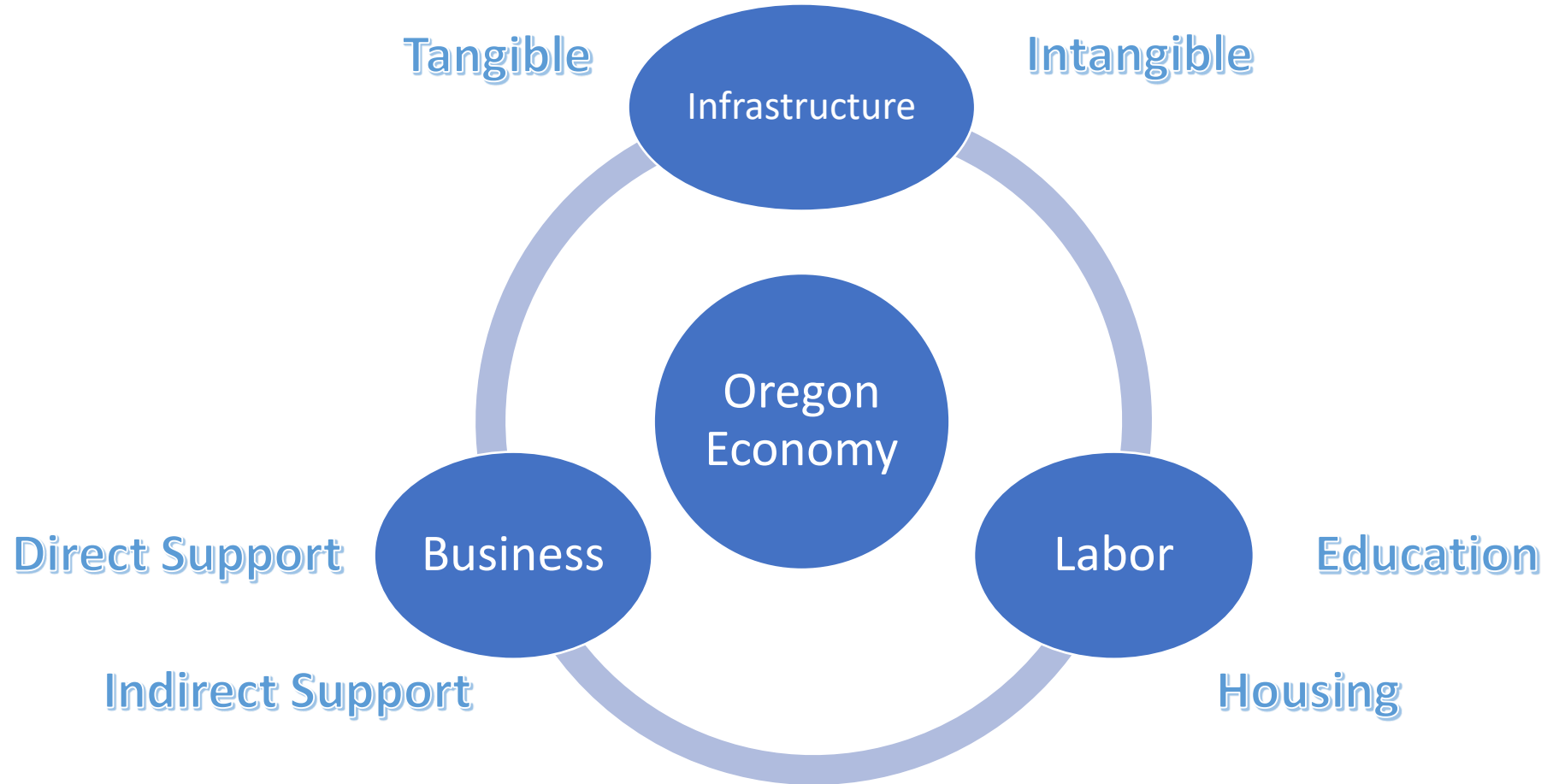


Economy Framework (OTIM)





Economy Framework





Framework Components

Infrastructure

- Tangible
 - Roads
 - Telecommunications
 - Electric
 - Sewer
- Intangible
 - Regulations
 - Tax Policy

Labor

- Housing
 - Supply
 - Affordability
- Education
 - K-12
 - Colleges/Universities
 - Certification/Licensure
 - Apprenticeships
 - Customized

Business

- Direct
 - Smaller Companies
 - Grants/Loans
 - Procurement
- Indirect
 - Larger Companies
 - Tax Incentives





Tax Incentive Tools

Income Tax Options

- Exclusion
- Deduction
- Subtraction
- Preferential Rates
- Credit

Property Tax Options

- Full Exemption
- Partial Exemption
- Special Assessment

Applicability

- Economic Sector
- Activity
- Geography
- Labor
- Capital





Tax Expenditure Report

23-25 Estimates (\$M)

2023-25 Edition, the Department of Revenue

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Income Tax Exclusions (Federal Policy)

TER #	Policy Name	\$M
1.012	Regional Economic Development Incentives	\$0.1
1.013	Capital Gain Invested in Opportunity Zone	\$23.0
1.014	Exclusion of Gain from Certain Small Business Stock	\$14.0





Income Tax Deductions (Federal Policy)

TER #	Policy Name	\$M
1.204	Accelerated Depreciation of Buildings	\$3.9
1.205	Accelerated Depreciation of Equipment	\$54.0
1.206	Research and Development Costs	\$0.1
1.207	Section 179 Expensing Allowances	\$65.0
1.208	Amortization of Business Start-Up Costs	\$2.0
1.209	Foreign-Derived Intangible Income	\$326.0
1.217	Development Costs for Nonfuel Minerals	\$0.1





Income Tax Subtractions

TER #	Policy Name	\$M
1.311	Oregon Investment Advantage	NA
1.312	Dividend Received from an IC-DISC	\$9.6
1.318	Depletion Costs for Metal Mines	NA





Income Tax Credits

TER #	Policy Name	\$M
1.415	Renewable Resource Equipment Manufacturing Facilities	\$0.1
1.416	Oregon Low Income Community Jobs Initiative	\$2.3
1.417	Qualified Research Activities	\$0.0
1.418	Qualified Research Activities (Alternative)	\$0.0
1.419	Long Term Rural Enterprise Zone Facilities (Income Tax)	NA
1.420	Reservation Enterprise Zone (Income Tax)	\$0.1
1.421	Electronic Commerce Enterprise Zone (Income Tax)	\$0.0
1.422	Public University Venture Development Fund	\$0.5





Other Income Tax Policies

TER #	Policy Name	\$M
1.501	Public Warehouse Sales Throwback Exemption	\$0.1
1.502	Tax Rates for Certain Pass Through Income	\$236.0





Property Tax Full Exemptions

TER #	Policy Name	\$M
2.011	Commercial Buildings Under Construction	\$44.8
2.012	Construction in Process in an Enterprise Zone	NA
2.013	Enterprise Zone Businesses	\$98.7
2.014	Long Term Rural Enterprise Zone (Property Tax)	\$334.0
2.015	Certain Property Owned by a Port	NA
2.016	Brownfield Development	\$0.1
2.017	New Industrial Property in Rural Areas	\$0.1
2.028	Cargo Containers	\$0.3





Property Tax Partial Exemptions

TER #	Policy Name	\$M
2.098	Facilities with Prepayment Agreement	\$0.2
2.099	Certain Communication Related Property	\$73.8
2.100	Strategic Investment Program	\$630.0
2.101	Cap on Central Assessment for Certain Companies	\$22.8





Property Tax Special Assessment

TER #	Policy Name	\$M
2.127	Farmland	\$528.5
2.129	Historic Property	\$5.5
2.134	Western Private Forestland	\$130.0
2.135	Eastern Private Forestland	\$17.7
2.136	Small Tract Forestland Option	\$29.5



For More Information

- Legislative Revenue Office
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- 255 Capitol St NE, 5th Floor
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- Salem, OR 97301
- 503-986-1266
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