

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 5

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Date: 04/25/2023

Measure Description:

Restores corporate excise tax credit allowed for qualified research activities and sets increased maximum credit amount.

Government Unit(s) Affected:

Cities, Counties, Department of Revenue, Metro

Analysis:

This fiscal impact statement is for the purpose of transmitting the measure from the Joint Committee on Semiconductors to the Joint Committee on Tax Expenditures.

The measure reinstates corporate excise tax credit for qualified research activities in semiconductor or other advanced manufacturing industries, sets the maximum credit amount at \$9 million, and uses tiered credit percentages based on the amount of increase in qualified research expenses. In addition, the measure increases the tax credit percentage to 24 percent, if the excess amount is \$2.5 million or less, and 15 percent, if excess amount is more than \$2.5 million, in accordance with federal credit for increasing research activities. Makes it 75 percent refundable for companies with fewer than 150 employees.

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the Joint Committee on Tax Expenditures.

Further Analysis Required