

SB 5 Primary Amendments

Policy	-2 (Restore Prior Credits)	-4 (Restore Prior Credits)	-5 (New Tax Credit)
ORS Location	317.152 (Primary) & 317.154 (Alternative)		Chapter 315 (Based on 317.152)
Credit Percentage	Primary: 25% * Excess R&D Alternative: 5% of QRE above 10% of Oregon sales		25% * Excess R&D
Eligible Activity	Federal Definition except: Any research conducted in Oregon by a Qualified Semiconductor Company	Federal Definition Except: Semiconductor-related research conducted in Oregon by a Qualified Semiconductor Company	
Certification	By OBDD: taxpayer is a QSC, fee	By OBDD: taxpayer is a QSC and qualified R&D, fee	
Who	Any business that is a “Qualified Semiconductor Company”		
Refundability	100% if 499 or fewer employees 50% if 500 to 1,999 employees 0% if 2,000+ employees		
Carryforward	5-year		
Maximum	\$5M if fewer than 150 employees \$10M otherwise		
Tax Years	2024 to 2029		
Revocation	By DOR, per ORS 315.061		
Transferable	No		
CAT	Excluded (unnecessary)		

QRE = Qualified Research Expenses

A Qualified Research Company “means an entity whose primary business is the research, design, development, fabrication, assembly, testing, packaging or validation of semiconductors, or an entity whose primary business is the creation of semiconductor manufacturing equipment, semiconductor core intellectual property or electronic design automation software that is primarily intended for use in the semiconductor industry.”

Introduced and -3 (from SB 1084)

Policy	SB 5 (Restore Prior Credits)	-3 (Restore Prior Credits)
Who	Corporations	Any business that is a “qualified semiconductor company”
Eligible Activity	Federal Definition except: Research in Oregon essential to the semiconductor industry or other advanced manufacturing	Federal Definition Except: Any research conducted in Oregon by a Qualified Semiconductor Company
Primary Credit Percentage	If Excess R&D <= \$2.5M then 24% If Excess R&D > \$2.5M then 15%	15% of Excess R&D
Refundability	75% if fewer than 150 employees	80% if fewer than 150 employees
Carryforward	5-year	5-year
Maximum	\$9M per taxpayer	\$15M per taxpayer; \$200M per biennium
Tax Years	2024 to 2029	2024 to 2029
Certification	No	No
Revocation	No	By DOR, per ORS 315.061
Transferable	No	Yes (\$100M/year may be claimed)
CAT	Tax credits are not commercial activity	Unnecessary

Both versions include Oregon’s prior R&D (Qualified Research Activities & Alternative) tax credits.