

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
82nd Oregon Legislative Assembly  
2023 Regular Session  
Legislative Revenue Office

<b>Bill Number:</b>	<b>SB 5</b>
<b>Revenue Area:</b>	<b>Income Tax</b>
<b>Economist:</b>	<b>Chris Allanach</b>
<b>Date:</b>	<b>4.26.23</b>

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**Measure Description:**

Creates a new Research & Development tax credit based on the similar federal income tax credit. The credit percentage is either 24 percent or 15 percent of the excess amount of qualified research activity, as defined in federal law, with the exception that the activity must be performed in Oregon and be essential to the semiconductor industry. The larger percentage applies to qualified research activity of less than \$2.5 million per year while the smaller credit percentage applies to qualified research activity above the \$2.5 million threshold. The maximum tax credit per filer is \$9 million and 75 percent of the total claimed in a given year is considered a refundable tax credit. The tax credit is applicable for tax years 2024 through 2029.

**Revenue Impact:**

The magnitude of the revenue impact will depend on the amount of qualified research activity and the number of eligible taxpayers. The bill is being moved to the Joint Committee on Tax Expenditures where the revenue impact analysis will be completed.

**Impact Explanation:**

**Creates, Extends, or Expands Tax Expenditure: Yes  No**

The policy purpose of this measure is

Further Analysis Required