



## **SB 138 & HB 2062: Extension of Rural industrial Improvement Exemptions**

Joint Committee on Tax Expenditures – John Calhoun – 5.30.2023

My name is John Calhoun and I am representing Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

This committee is considering reforms for enterprise zones in HB 2199. As you are aware, Tax Fairness Oregon has supported reforms in our property tax incentive programs for some time. If this committee does proceed with reforms to our enterprise and SIP programs, it would be appropriate to add those same changes to this extension of rural industrial improvement exemptions. There should also be the same basic requirements as in standard rural 3–5 year enterprise zones. For example, there should be the same job pay requirements and job number reporting for industrial improvement exemptions. Otherwise, there would be a disconnect between the two incentive programs with the potential for unintended consequences.

While rural industrial improvement exemptions are not widely used today, more awareness of their value to economic development agencies might set off a significant increase in their use. Then any difference in requirements might end up subverting the intent of the rural enterprise zone reforms.

We support an extension with amendments.

*We read the bills and follow the money*