

May 5, 2023

To: Joint Committee on Tax Expenditures

Subject: R&D Tax Credit to support Oregon innovative small businesses

Elex Biotech is a drug development company, home grown in Oregon. Based on innovative research at Portland State University and housed at the Portland State Business Accelerator, Elex Biotech has brought a drug candidate to the brink of clinical trials for the treatment of heart arrhythmia. Our company has brought millions dollars of federal grant funding into Oregon, and employed multiple people in living wage jobs, both in Elex Biotech itself and at Portland State University.

Drug development is a risky, expensive enterprise. The State of Oregon has provided support for the biotech industry in many ways – signature research center support for OTRADI/OBI, grant funds to match federal small business grants, UVDF funds. All these have been part of the support for Elex Biotech and other life science companies growing in Oregon.

The current proposal for a tax credit is limited and likely would not apply to Elex, but I urge you to consider the value of expanding it. Our company, and our industry, have the potential to contribute innovative health care products, but more pointedly Oregon jobs and tax dollars.

Companies in Oregon must pay state and local taxes on the federal research dollars they bring in. Providing tax credits for innovative R&D is a staple of economic development policy in many states.

I urge you to consider expanding R&D tax credits to a broader range of innovative R&D companies that have the proven ability to help grow the Oregon economy.

Thank you for your consideration,



Sandra Shotwell
CEO

