

Technical Reference Fix

Semiconductor R & D Tax Credit

Existing ORS 315.518 Reference to Internal Revenue Code

(2) A credit against taxes otherwise due under ORS chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317 shall be allowed to eligible taxpayers for increases in qualified research expenses and basic research payments. The credit shall be determined in accordance with section 41 of the Internal Revenue Code, except as follows:

(a) The applicable percentage specified in section 41(a) of the Internal Revenue Code shall be 15 percent.

(b) “Qualified research” and “basic research” shall consist only of research conducted in Oregon by a qualified semiconductor company, in support of a trade or business directly related to semiconductors.

[(c) Section 41(c)(4) of the Internal Revenue Code (relating to the alternative incremental credit) does not apply to the credit allowable under this section.]

Previous Internal Revenue Code

41(c)(4) Election of Alternative Incremental Credit

41(c)(5) Election of Alternative Simplified Credit

Current Internal Revenue Code

41(c)(4) Election of Alternative Simplified Credit

The alternative incremental research tax credit was applicable between 1996 – 2008. In 2018, federal legislation (Tax Technical Corrections Act, P.L. 115-141) removed the expired reference from the IRC and renumbered subsequent paragraphs.