SB 1586 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Kyle Easton, Senior Economist
Meeting Dates: 2/16

WHAT THE MEASURE DOES:

Expands research and development (R&D) income tax credit for semiconductor companies to include “qualified alternative energy production company” and “qualified biotechnology company”. Expands availability of 25 percent refundable tax credit to companies with 3,000 or more employees. Modifies certification of tax credit to ensure companies with fewer than 150 employees receive full certification. Applies to tax years 2027 and later. Extends sunset of R&D tax credit by six years, from January 1, 2030, to 2036. Doubles credit certification limits in 2025-27 and 2027-29 biennia, fiscal year 2029-30, and unlimited thereafter. Allows city or county to create a property tax exemption for new or modernized machinery and equipment used by an advanced manufacturing business. Limits exemption to no more than five years. Expands exemption period for standard enterprise zone property tax exemption from 3-5 years, to 3-10 years. Makes school support fee in lieu of property taxes optional for standard enterprise zone exemption and long-term rural enterprise zone exemption. Reduces employment requirements to qualify as an eligible employer for the Industrial Site Readiness Program. Modifies existing requirement that each employer increase average annual employment by the minimum 25 (rural site) or 50 (urban site) qualified jobs, by requiring the determination of the minimum respective jobs to be based on all employers in aggregate at the industrial site rather than each individual employer. Directs certain state agencies to establish deadlines within which the agency intends to process applications for permits and to publish catalog of permits issued. Adds rural reserves in Washington County to Metro to be used for high-technology and advanced manufacturing purposes.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

See meeting materials for section-by-section description of changes contained in measure.