

SEMICONDUCTOR TOOLS & INCENTIVES

INCLUDE THESE POLICY CHANGES IN THE SEMICONDUCTOR PACKAGE TO ENSURE OREGON-BASED CHIPS ACT APPLICATIONS ARE COMPETITIVE WITH OTHER STATES.

These incentives currently exist and have proven to be effective at cultivating robust economic development opportunities, but need extending. Extending the sunsets on these programs provides certainty to CHIPS Act applicants that the programs will be available in the coming years.

- **The Enterprise Zone Program** allows a local government to abate property tax for new business investments provided the investments bring sustainable jobs with wages exceeding local averages. Often times, local governments (ports, cities, counties or tribes) will negotiate additional benefits to the local community in lieu of the property tax payments while the state benefits immediately from the subsequent income tax revenue. Oregon's 58 rural and 18 urban enterprise zones touch 35 counties, 143 cities, 15 ports and lands of 2 tribes. Business Oregon determined that in 2022 E-Zones created over \$8.5 billion in total economic activity; 46,253 new jobs, that generated over \$2.5 billion in labor income; and \$685 million in personal income taxes.
- **Gain Share Credits** work in tandem with the Strategic Investment Program (SIP) to enable cities and counties to attract large-scale, private investment – bringing jobs and tax revenue along with it. The annual infusion of funding provided from the Gain Share program allows local communities to prioritize important projects such as upgrading outdated infrastructure and investing in new buildings and public spaces.
- **The Regionally Significant Industrial Sites (RSIS) program** is a profit-sharing economic development tool that offers state income tax reimbursements for approved industrial site readiness activities. The availability of such industrial sites is a key asset for areas hoping to expand or attract traded-sector businesses that create family wage jobs and provide critical tax base for public services. Performance-based economic development tools are cutting edge and Oregon is leading the way with RSIS.

Additionally, **Research and Development Tax Credits** are the number one driver of the industry, adding jobs to our diverse workforce here in Oregon and infusing new capital into our state. In addition to preserving our existing tools, Oregon must join the other 38 states with tax credits for R&D costs, particularly in semiconductor and advanced manufacturing.

By maintaining and offering comparable tools to other states, we can solidify Oregon's competitive position in this valuable market.