

# LEGISLATIVE CONCEPT

A concept proposed to the Renewable Energy Working Group (REWG)

From the REWG Incentives Committee – August 14, 2008

Concept Subject/Title Renewable Energy R&D, Commercialization & Manufacturing Tax Credit Program

Contact Person Bill Fashing

Phone No. \_\_\_\_\_

◆ BRIEF DESCRIPTION OF THIS CONCEPT:

Implement an income tax credit program to incent new investment and job creation for renewable energy firms conducting research, development, commercialization and manufacturing of products used in the generation of renewable energy. To qualify a firm must have an annual average gross payroll that exceeds 150% of the county per capita income. The credit allowed is based on the annual gross payroll at the facility and shall equal 3% of the increase in annual gross payroll at the facility or 6% in distressed areas. The income tax credit is capped at \$500,000 and it may be claimed for three successive tax years

◆ PURPOSE OF THIS CONCEPT (DESCRIBE PROBLEM YOU ARE TRYING TO SOLVE AND SUGGESTED SOLUTION):

Create an initiative which positions the state of Oregon as a world leader in renewable energy. This incentive will help to draw attention to the importance of this industry sector within the State of Oregon.

◆ POLICY IMPLICATIONS:

This is a targeted tax credit program focused on the renewable energy sector

◆ PARTNERS OR OTHER AGENCIES AFFECTED:

<u>Agency:</u>	<u>Person you talked to about concept:</u>	<u>Phone:</u>
OECD	Art Fish	(503) 986-0140

◆ KNOWN SUPPORT

RENEWABLE ENERGY INDUSTRY  
RENEWABLE ENERGY WORKING GROUP

◆ KNOWN OPPOSITION:

---

◆ THIS CONCEPT: (Do not skip answers. Enter *none* or *N/A* as needed.)

Revises or repeals ORS Revises

Adds new sections to ORS Chapter \_\_\_\_\_

Check one: X Major program change     Minor program change     Technical correction/housekeeping only

Was previously proposed in: Year 2007 as Bill No. HB 2779

Why are you proposing it again (what changed)? Targeted to Renewable Energy Firms

Is a PLACEHOLDER? No  Yes  Expected date of completion: \_\_\_\_\_

Reason not completed: \_\_\_\_\_

Is due to legal decision:            Case cite:            or AGO No./date            (*attach copy*)

Raises fees or assessments? No  Yes  (*attach Fiscal Impact Estimate and form 107BF22*)

Imposes or adds to unfunded mandate on local governments? No  Yes  (*attach Fiscal Impact Estimate*)

Has other fiscal, revenue, or position impacts? No  Yes  (*attach Fiscal Impact Estimate*)

Have you discussed this Concept with your Attorney General liaison? No  Yes