

# Oregon Economic & Community Development's Taxation-related Assistance to Business

## Oregon's General Public Finance System:

- ✓ State personal income tax
- ✓ State corporate excise/income tax (multi-state apportionment based only on 'sales'; 6.6% rate)
- ✓ Local property taxes (real and personal property)
- ✓ Competitive unemployment and worker's disability insurance
- ✓ Others: fuel and other excise taxes, local fees
- ✓ State lottery

Oregon has **no** taxes on Businesses for general sales and use, revenue or gross receipts, occupancy, capital, inventory.

## Exemptions on New Taxable Property:

### Strategic Investment Program ('SIP')\* —

- Cap on taxable value of project
- Fifteen years
- Through local agreement or 'SI' Zone designation
- Smaller taxable portion in rural areas

**Construction-in-Process** —  
anywhere, most types of business facilities up to 2 years

**Others** —  
New food-processor machinery and equipment, ethanol facility, alternative energy

### Enterprise Zones —

- Standard three- to five-year exemption, with work-in-progress coverage
- Long-term, 7-15 years, plus construction, almost all zones
- Renewable energy zones

## Business/Corporate Income or Excise Tax Deductions and Credits:

### Taxable Income Exemption —

- Subtraction of operational income on state tax return
- Ten-year subtraction of facility income
- New in-state business operations
- Available in most counties now

### Tax Credits for Costs of ...

- Dependent care assistance
- Energy saving investments
- Pollution control technology\*
- Additional research (new higher annual maximum!)

### Other Credits of Note —

Low-No<sub>x</sub> truck engines, long-term care, scholarships and certain (possibly deductible) donations

### Enterprise Zone Tax Credits\* —

- *E-commerce* Zone
- Tribal taxes
- Long-term, 62.5% of payroll, Governor-approved

\*Pollution control tax credit sunsets December 31, 2007. Special eligibility in an enterprise zone.