



# SENATE MAJORITY OFFICE

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## NEWS RELEASE

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CONTACT: Rick Osborn (503) 986-1074  
[rick.osborn@state.or.us](mailto:rick.osborn@state.or.us)

### **Oregon Senate votes to adopt several tax credit adjustments**

*SB 1507 addresses variety of industries from biomass to television and medical*

SALEM – The Oregon Senate today passed a bill adjusting some existing tax credits that benefit a variety of Oregon industries, while being mindful of the costs to Oregonian taxpayers.

Senate Bill 1507 – which passed by a 29-0 vote this morning – modifies eligibility criteria for certain tax credits, makes clarifying changes to others and increases the cap on one. These changes, some technical and other substantive, affect a variety of Oregon residents and industries including agriculture, film and television, medical practices and Oregonians with Individual Development Accounts.

“Collectively, this bill does two major things. It will help protect more jobs in the film and television industry and also help us achieve policy goals to increase production of clean energy through continuing tax credits for biomass,” said Sen. Mark Hass (D-Beaverton), who carried the bill on the Senate floor. “It was important to the committee that we protect film and television jobs and also support the agriculture industry’s biomass efforts. This bill accomplishes both of those goals.”

One of the bill’s larger impacts is a substantial increase in the annual cap on the film and video tax credit. The tax credit – currently capped at \$10 million – will increase to \$12 million in 2016 and \$14 million in 2017. These scheduled increases promote the state’s burgeoning film and television industry by further increasing the state’s capacity to attract and retain film and television projects in the state. Since this tax credit was passed, it has played an essential role in making Oregon a film destination and attracted high-profile projects like Grimm, Wild and The Librarians.

Senate Majority Leader Ginny Burdick (D-Portland) spoke in favor of the bill – particularly focusing on the film and video tax credit – pointing out that the industry has an impact on Oregon’s economy statewide. She noted that the film and video industry spends money that flows throughout the state, from purchasing wood products harvested and manufactured in Douglas County to paying union set designers and builders to assemble the sets.

“This bill encourages investment in this state by members of this vibrant industry,” Burdick said. “This is one of the best economic development moves we can make for Oregon.”

Renewable energy will see a continued boost, as the bill extends the sunset on the existing biomass tax credit, but at a reduced rate. Currently, methane digester energy generators benefit from a \$5-per-wet-ton credit. SB 1507 extends the sunset on this credit and reduces the rate to \$3.50 per wet ton. As these digesters become more efficient, the rate reduction represents the next step in balancing the need to encourage renewable energy development with saving Oregon's tax dollars. These adjustments are expected to save Oregon taxpayers around \$1 million, while increasing the manure biogas industry by a third, investing another \$15 million in rural economies and adding new renewable electricity for 2,000 homes.

SB 1507 also provides clarifying language throughout existing tax credit statutes. The bill removes reference to "highway miles" from the Rural Medical Providers tax credit qualification language; instead, calculating distance from qualifying cities "as the crow flies." This change reduces the number of eligible providers by about 718, saving Oregon taxpayers about \$2.1 million. In addition, it caps the Residential Energy Tax Credit at \$1,500 annually per eligible device and creates an annual taxpayer cap of \$500,000 for the Individual Development Account contributions tax credit.

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