

Incentives

For years, Oregon has ranked among the lowest cost states for businesses according to several independent research organizations including:

- [The Tax Foundation](#)
- [American Institute for Economic Research](#)
- [Ernst & Young](#)
- [Forbes](#)

Despite this recognition, which typically does not factor the value of cost savings from economic development incentive programs, Oregon has more tools to encourage job growth and investment than any state on the West Coast.

For employers that qualify, Oregon can offer through incentives, both in the short and long-term, a virtually tax-free operating environment. Often overlooked, Oregon’s “single sales factor” for determining state corporate income taxes favors employers that sell their products outside the state. It’s a contributing reason that Intel has its largest operation in the world in Oregon and that multi-national companies like Nike, Columbia Sportswear, and Precision Castparts Corp, to name a few, are headquartered here.

The table below outlines some, not all, of the tools at our disposal to help Central Oregon become a new home for your company:

CENTRAL OREGON INCENTIVE SUMMARY				
Incentive	What it does	Qualifying Criteria	Approval Process	Cities, Counties Available
Standard Enterprise Zone	Exempts 100% of real property and equipment used in the production of tangible, intangible goods for three years	Must invest at least \$50,000 or \$1,000 for equipment used directly in the production of goods and services. Companies new to zone must create at least one job, existing employers must increase employment by 10% and sustain.	Approval provided by local zone managers and county assessor	All cities, most rural industrial property within all three counties
Extended Enterprise Zone	Exempts 100% of real property and equipment used in the production of tangible, intangible goods for five (5) years	Same as Standard Enterprise Zone, but the average total compensation of all new jobs must be at least 150% of the average wage for all jobs in the county. Total compensation can include all non-mandatory benefits (health ins. premiums, retirement, vacation pay, etc.)	Discretionary. Approval provided by the zone sponsors (cities, counties), zone manager and assessor. Approximate 20-40 day process.	All cities, most industrial property within all three counties
Long-Term Enterprise Zone	Exempts 100% of property tax on real and personal property for up to 15 years Provides up to 15 years of Oregon corporate income tax credits	Must invest minimum (\$9.05m) – Crook Co., \$12.5m – Deschutes Co., \$9.4m Jefferson Co.) in capital investments (plant, equipment, personal property) and create at least 50 FT jobs in Deschutes and 35 FT jobs in Crook and Jefferson with average total compensation of at least 150% of average wage within the county.	Discretionary. Approval is provided locally by agreement with the company enterprise zone sponsors: Approx. 30-60 day process. Income tax credits approved by the Governor.	All cities except Bend and most rural industrial property within all three counties

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<u>Rural Renewable Energy Development Zone (RREDZ)</u>	Provides the same 100% property tax exemptions of enterprise zones for renewable energy development (generation) projects.	Companies must qualify for the standard enterprise zone in order to be eligible for property tax exemptions as well as have an eligible renewable energy project (i.e. wind, solar, biomass, etc.)	Approval provided by local zone managers and county assessor.	All unincorporated areas within Crook and Jefferson counties
<u>Oregon State Energy Loan Program (SELP)</u>	Promotes energy conservation and renewable energy resource development.	Offers competitive fixed interest rate loans for projects that: Save energy, produce energy from renewable resources such as water, wind, geothermal, solar, biomass, waste materials or waste heat, use recycled materials to create products, use alternative fuels.	Approval by Oregon D.O.E. Energy Loan Officers	Projects must primarily be in Oregon
<u>Oregon Investment Advantage (OIA)</u>	Exempts Oregon income taxes for 8 years following 24 months of operation	Must create at least 5 new jobs with average total compensation of at least 150% of the average wage of all jobs within the county	Approval by staff at Business Oregon. Approximate 30-day approval.	All cities and unincorporated areas of Crook & Jefferson Counties, except Bend
<u>Immediate Opportunity Fund (IOF)</u>	Reduces the cost of needed transportation infrastructure for job-creation projects	Must have job creation component. Merits of each project (community, industry, company, type of jobs) determine the award. Awards can only be made to public entities (i.e. city, county, etc.), and must pay for public road development or improvement.	Preliminary approval by the Business Oregon Development Dept., final approval by Oregon Transportation Commission. Approximate 45-90 day approval process.	All areas within the region
<u>On-the-Job Training (OJT) Grant</u>	Cash reimbursement for on-the-job training for specific employer-needed skills	Complete training in at least six months at a wage of at least \$10.75/hr., retain employee	Approved by local workforce development agency Central Oregon Intergovernmental Council (COIC). Approximate 20-day approval process.	All areas within the region
Deschutes County Economic Development Fund	Cash incentive for job creation	Create at least 5 new, well-paying jobs in Deschutes County	Approved by Deschutes County Commissioners. Average approval process: 30-45 days	All areas within Deschutes County
Incentive Rate Industrial Land	Below-market industrial land for qualifying projects	Criteria vary by community, but typically new job creation and capital investment are major considerations. Job density per acre can also be a criterion.	Approved by local elected leaders (city or county)	Bend, Madras, Prineville, La Pine, Redmond
<u>Oregon Trade Promotion Program (STEP)</u>	Reimbursement of up the lesser of \$5,000 or 50% of international trade show costs	Employ fewer than 500 people, 75% of which must be in Oregon; exhibit Oregon services or goods at an international trade show or Oregon trade mission.	Approved by Business Oregon administration.	All areas within the region
<u>Energy Trust of Oregon</u>	Cash incentives for energy efficiency	New or existing businesses are eligible. Program areas include: energy efficient equipment & lighting, custom capital/O&M investments, strategic energy management, renewable energy production. Programs apply for new construction or renovation/retrofit.	Approved by the Energy Trust. Depending on complexity, applications can be approved in a matter of days or weeks.	All areas within the region served by either Pacific Power or Cascade Natural Gas
<u>Oregon Manufacturing Extension Partnership (OMEP)</u>	Subsidized training and consulting services to help small to medium size companies with production efficiency and continuous improvement	Programs include: Business Innovation Workshop (BIW), Small Business Initiative (SBI). Both offer consulting services at 25% of value (75% discount) for financial, continuous improvement, and marketing. Subsidy limit for BIW: \$7,500, SBI: \$24,000	Approved by OMEP. Review and approval process after complete application: 14 days.	All areas within the region

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<u>Strategic Investment Program</u>	<p>Exempts from property taxes a major portion of large capital investment (more than \$25 or \$100 million) in certain areas of Central Oregon.</p>	<p>Not yet used in the Central Oregon Region. Long-term Rural Enterprise Zone or standard enterprise zone exemptions have provided greater savings for projects thus far.</p>	<p>Multiple layers of process involving local taxing jurisdictions</p>	<p>All areas within the region</p>
<u>Construction-in-progress Tax abatement</u>	<p>Commercial and non-utility facilities can be exempt from property taxes while under construction and not in use on January 1 of the assessment year, for up to two years.</p>	<p>The facility: Is either new or an addition to an existing structure; Has been exempt from taxation for no more than the current tax year; Is in the process of construction on January 1; Is not in use or occupancy on January 1; Has not been in use or occupancy at any time prior to such January 1 date; Is constructed to produce income; Is to be first used or occupied for not less than one year from the time construction begins for nonmanufacturing facilities; and Construction is not considered begun until any demolition is completed.</p>	<p>File application with the county assessor or the Oregon Department of Revenue.</p>	<p>All areas in Oregon</p>
<u>Food Processor Property Tax Exemption</u>	<p>New machinery and equipment may be exempt from property taxes for five years anywhere in Oregon if used in primary food processing of raw or fresh fruits, vegetables, legumes, nuts or seafood.</p>	<p>Property tax exemption for certain types of property acquired and installed by Oregon food processors (ORS 307.455). Prior to filing a claim for exemption, the taxpayer must contact Oregon Department of Agriculture and request a site visit to examine and determine if the equipment qualifies for exemption.</p>	<p>The filing process requires filing the completed exemption claim with the county assessor or the Department of Revenue, whichever appraises the property.</p>	<p>All areas in Oregon</p>
<u>Work Opportunity Tax Credit (WOTC)</u>	<p>Federal tax credit available to Oregon employers who hire and retain veterans and individuals from other target groups with significant barriers to employment. Employers can receive up to \$9600 per qualified employee in the form of a Federal tax credit.</p>	<p>Veterans that received food stamps, those who are entitled to compensation for service and discharged from the military, and those unemployed for 4 weeks to 6 months prior to hire date. Non-veterans eligible include those convicted of a felony or release from prison, those with a vocational rehabilitation agency, those who receive Supplemental Security Income, and a member of a family that received TANF assistance.</p>	<p>Fill out necessary paperwork or request certification by mailing Pre-Screening Notice and Certification Request for the Work Opportunity Credit, Individual Characteristics Form, and submitting any documents proving the new hire falls under one of these qualified categories.</p>	<p>All areas in Oregon</p>
<u>Preferred Worker</u>	<p>Offers Oregon employers a chance to save money by hiring employees who have on-the-job injuries that prevent them from continuing with their regular work</p>	<p>Workers with on-the-job injuries must be kept from returning to their regular work due to said injury and it leaves them with permanent restrictions. Employers must have and keep Oregon workers' compensation insurance and follow workers' compensation laws</p>	<p>Fill out necessary paperwork found on the Oregon.gov website.</p>	<p>All area in Oregon</p>
<u>Incumbent Worker Employment Grant</u>	<p>Training program that helps to facilitate engagement of employers</p>	<p>ECWIB will have a policy for eligible criteria. The Regional Strategic Team may play a role in creating the procedures for individual training.</p>	<p>Applications go through the WorkSource centers in the East Cascades.</p>	<p>East Cascades region</p>