



Oregon's enterprise zones offer a unique resource to communities and an excellent opportunity for businesses growing or relocating in participating districts. Primarily, enterprise zones exempt qualifying businesses from local property taxes on new investments for a period of three to five years.

Enterprise Zone Incentives:

Businesses (generally non-retail) locating or expanding into an enterprise zone may be eligible to receive an exemption from property taxes on new investments including building construction and improvements, machinery, and equipment, for a period of three to five years.

The following are the standard incentives available to eligible businesses locating in any enterprise zone, subject to authorization, timely filings and criteria:

- Construction-in-Process Enterprise Zone Exemption—For up to two years before qualified property is placed in service, it can be exempt from local taxes. (For most authorized businesses this provides broader benefit than the regular exemption for commercial facilities under construction.)
- Three to five consecutive years of full relief from property taxes on qualified property, after it is in service.
- Depending on the zone, local incentives also may be available.

Enterprise Zone Contacts:

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Business Eligibility:

Prior to building construction/improvements or machinery equipment installation on-site, the zone manager must receive and approve an Application for Authorization (<http://www.oregon.gov/dor/PTD/docs/303-029.pdf>), which contains pertinent process information.

Eligible businesses include manufacturers, processors, shippers, and other traded sector businesses, as well as call centers and headquarter facilities. Hotel/resort businesses are eligible in the Estacada, Molalla, and Sandy Enterprise Zones. Retail, construction, financial and other defined businesses are ineligible.

Qualified Property:

A new building/structure, structural modifications or additions, or newly installed machinery and equipment qualify for exemption. Nonqualified items include land, previously used property value and miscellaneous personal items.

Criteria for Qualifying Projects:

For the standard, **three-year enterprise zone exemption**, the business should meet the following criteria:

- Increase full-time, permanent employment by 10%
- Pay employees at least 150% of the State minimum wage (\$14.63 per hour for **2017**) (*benefits can be used to reach this pay level*)
- Maintain minimum employment level during the exemption period
- Enter into a first-source agreement with local job training providers
- Pay an application fee of 0.1% of the proposed total investment.

Criteria for the extended tax exemption (for a maximum of a **five-year exemption**):

The business should meet the criteria for the three-year enterprise zone exemption as well as the following:

- Compensation of new workers must be at or above 150% of the County average wage \$35.24 per hour/\$73,289 annual for **2017** (*benefits can be used to reach this pay level*)
- There must be local approval by written agreement with the local zone sponsor, and
- The company must meet any additional requirements that the local zone sponsor may reasonably request.

For more information please contact:



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