

Form OR-EZ-EXCLM Instructions

Oregon enterprise Zone Exemption Claim

Filer/taxpayer

This form allows your already authorized business firm to claim the three- to five-year exemption on newly invested qualified property that your business owns or leases at the specified site in the enterprise zone for the current year. To receive a tax exemption, file your claim with the county assessor after January 1 and no later than April 1.

For the first year of any such exemption, qualified property must be listed on a Form OR-EZ-PS, *Oregon Enterprise Zone Property Schedule*, 150-310-076, and included with this claim.

If this exemption claim relates to any state-appraised industrial property (ORS 306.126), it may be filed with the Oregon Department of Revenue within the time required and will be considered timely filed with the county assessor.

Late filing of claim with property schedule: A first-year claim may be filed after April 1 and on or before June 1. A late filing fee equal to the greater of \$200 or $\frac{1}{10}$ of 1 percent of the listed qualified property's total investment cost will be charged. After June 1 and between the following January 1 and April 1, an exemption may be granted only for the remainder of the authorized period (less the first year); see last check box above.

Late filing of claim without property schedule: For subsequent years, the claim may be filed with the county assessor after April 1 and on or before August 31. A late **filing fee** equal to the greater of \$200 or the following factor multiplied by the exempt property's total investment cost from prior schedule(s) will be charged, respective to the corresponding filing date:

Factor	On or before
0.0002	May 1
0.0004	May 31
0.0006	June 30
0.0008	July 30
0.0010	August 29
0.0012	August 31

Failure to file an exemption claim after any year of exemption by the due date or failure to pay the late filing fee may cause the remainder of the exemption period to be terminated at the assessor's discretion.

Authorization

Refer to your relevant Form OR-EZ-AUTH, *Oregon Enterprise Zone Authorization Application*, 150-303-029, and *Authorization Approval* form, 150-303-082. If your authorization became "inactive" due to failure either to successfully claim exemption or to furnish a statement of continuing interest after two full calendar years, then the initial exemption claim may be accepted only with a filing fee equal to the greater of \$200 or $\frac{1}{10}$ of 1 percent of the listed qualified property's total investment cost.

Exemption on qualified property

The period of exemption is three consecutive (assessment) years in length, unless the zone sponsor agreed in writing at authorization to allow extended abatement of four or five consecutive years in total.

Property schedule is required to exempt property first placed in service from January 1 to December 31 of the immediately prior year.

Property is placed in service once it is in use or occupancy, or is physically ready as such, for specifically intended commercial purposes.

Two or three different exemptions subject to the same authorization may begin over not more than three successive years.

Employment in the enterprise zone

Except for headquarters/centralized facility for statewide or wider regional operations, employment is counted throughout the enterprise zone for positions engaged in any type of eligible activity or operations. Do **not** use FTE (full-time equivalent), and exclude all part-time, temporary or seasonal employees. Count persons working in full-time (>32 hours per week), permanent positions.

If the initial property schedule is attached (line 5a and line 5d are "yes"), then line 7b must be higher than line 3 by the greater of at least 10 percent or one job. (If this isn't so, but employment since the application for authorization did reach a high enough level, attach explanation about when this was true.)

After the first year of the (initial) exemption:

- Line 7b and line 7c must be at least 50 percent of line 7d;
- Line 7b (alone) must be at least 15 percent of line 7d; and
- **Line 7a must be 110 percent or higher than line 3.**

For most enterprise zones, in order to receive the extended abatement, line 8a must be at least 100 percent of the most recently available county average wage in the fourth and fifth year (but only if the written agreement with the zone sponsor was executed on or after October 6, 2017). In addition, regardless of when the written agreement was entered into, line 8b needs to equal or exceed 130 or 150 percent of the county average wage (as previously established for the zone, usually at the time of authorization) in all exemption years. Compensation includes all wages and fringe/financial benefits except what is legally required; for example, do not include payroll taxes. New jobs are those created and added to the employment of the firm only after the application for authorization and before the end of initial exemption year.

If the enterprise zone sponsor or the county assessor doubts the sufficiency or accuracy of job numbers, and reasonably requested corroboration is lacking, the exemption on otherwise qualified property may be denied for current and future years.

Noncompliance with the above employment requirements causes disqualification and the imposition of back taxes (but without additional penalty/interest, subject to timely notice no later than July 1, which may also allow for a one-time payment to zone sponsor of amount equal to tax savings in lieu of disqualification).

Disqualification also results if verification isn't provided within 60 days, following a formal request sent by or through the county assessor using registered or certified mail.

Do you have questions or need help?

www.oregon.gov/dor
503-378-4988 or 800-356-4222
questions.dor@dor.oregon.gov

Contact us for ADA accommodations or assistance in other languages.