

CALCULATION FOR EXTENDED ABATEMENT COMPENSATION STANDARD

IN APPLICABLE OREGON ENTERPRISE ZONES

TO RECEIVE AN EXTRA TWO YEARS OF 100% PROPERTY TAX ABATEMENT ON QUALIFIED PLANT & EQUIPMENT FOR UP TO FIVE CONSECUTIVE YEARS, A QUALIFIED BUSINESS FIRM MUST SATISFY THE FOLLOWING COMPENSATION STANDARD DURING EACH OF THE FOUR OR FIVE YEARS OF THE EXEMPTION

(IN ADDITION TO OTHER REQUIREMENTS REQUESTED BY THE ENTERPRISE ZONE'S LOCAL GOVERNMENT SPONSOR)

$$\text{Average Annual Compensation of All New Employees} \geq 1.5 \times \text{Average Annual Wage for the County}$$

STEP-BY-STEP DEFINITIONS:

"County" = The County in Which the Enterprise Zone Is Located. If the *Zone* Spans More than One County, the County with the Highest Annual Average Wage Is Used.

"Average Annual Wage" = Most Recent Figure for Annual Average Covered Payroll Available from Oregon Employment Department AT the Time That the Firm Is Authorized (*STAYS THE SAME FOR ALL YEARS*)

"Average Annual Compensation of All New Employees" = $\frac{\text{Total Annual Compensation of All New Employees}}{\text{All New Employees}}$

"All New Employees" = Every Permanent (year-round) Position, for which the Employee Works: more than 32 hours/week, primarily in eligible (e.g., non-retail) operations inside the enterprise zone, and is first hired after the Application for Authorization through to the end of the first (calendar) year of exemption, including newly created jobs filled by persons promoted within the company

"Total Annual Compensation" = Discretionary Gross Payroll—Wages & Salary, Overtime, Bonuses, Profit-Sharing, Medical Insurance and Other Financial Benefits That Are Not Mandated under Federal, State or Local Law—per Calendar Year

NOTE: In filing an enterprise zone exemption claim following each assessment year (between January and April 1) during the exemption period, a business firm must report the level of compensation corresponding to the previous year, in order to satisfy this standard for receiving an extended abatement. The firm should be prepared to document compliance.