

# ILLUSTRATION OF ASSESSMENT AND TAXATION UNDER OREGON STRATEGIC INVESTMENT PROGRAM (SIP) – NON-RURAL AREA

(15-year Partial Exemption; nominal amounts/not discounted)

**Assumptions Used Here:**

- Investment cost of eligible project is \$300,000,000 for new plant & equipment (25% building & structure) and \$5,000,000 for land/existing property that is newly purchased by approved business firm and not previously exempt from taxes under SIP or in an enterprise zone.
- Assessed (taxable) value (AV) of property same as real market value (RMV), even in the case of land/existing property.
- New plant & equipment exempt during two-year construction period under ORS 307.330, and depreciates in value thereafter.
- Property tax rate is 1.65 percent.

YEAR	Total Taxable Value (AV) of Property	Base Case Property Taxes	Taxable Portion of Eligible Project*	Property Taxes Paid on 'AV'	Property Tax Savings	Community Service Fee: 25% of Savings up to Maximum	Value of Net SIP Benefit
1	\$5,150,000	\$84,975	\$5,150,000	\$84,975	\$0	\$0	\$0
2	\$121,554,500	\$2,005,649	\$5,304,500	\$87,524	\$1,918,125	\$0	\$1,918,125
3	\$285,851,135	\$4,716,544	\$100,000,000	\$1,650,000	\$3,066,544	\$766,636	\$2,299,908
4	\$267,877,213	\$4,419,974	\$103,000,000	\$1,699,500	\$2,720,474	\$680,119	\$2,040,356
5	\$251,266,931	\$4,145,904	\$106,090,000	\$1,750,485	\$2,395,419	\$598,855	\$1,796,565
6	\$235,913,724	\$3,892,576	\$109,272,700	\$1,803,000	\$2,089,577	\$522,394	\$1,567,183
7	\$221,719,526	\$3,658,372	\$112,550,881	\$1,857,090	\$1,801,283	\$450,321	\$1,350,962
8	\$208,594,088	\$3,441,802	\$115,927,407	\$1,912,802	\$1,529,000	\$382,250	\$1,146,750
9	\$196,454,360	\$3,241,497	\$119,405,230	\$1,970,186	\$1,271,311	\$317,828	\$953,483
10	\$185,223,915	\$3,056,195	\$122,987,387	\$2,029,292	\$1,026,903	\$256,726	\$770,177
11	\$174,832,416	\$2,884,735	\$126,677,008	\$2,090,171	\$794,564	\$198,641	\$595,923
12	\$165,215,135	\$2,726,050	\$130,477,318	\$2,152,876	\$573,174	\$143,293	\$429,880
13	\$156,312,505	\$2,579,156	\$134,391,638	\$2,217,462	\$361,694	\$90,424	\$271,271
14	\$148,069,707	\$2,443,150	\$138,423,387	\$2,283,986	\$159,164	\$39,791	\$119,373
15	\$140,436,291	\$2,317,199	\$140,436,291	\$2,317,199	\$0	\$0	\$0
16	\$133,365,831	\$2,200,536	\$133,365,831	\$2,200,536	\$0	\$0	\$0
17	\$126,815,602	\$2,092,457	\$126,815,602	\$2,092,457	\$0	\$0	\$0
18	\$120,746,285	\$1,992,314	\$120,746,285	\$1,992,314	\$0	\$0	\$0
19	\$114,866,333	\$1,895,295	\$114,866,333	\$1,895,295	\$0	\$0	\$0
20	\$110,759,900	\$1,827,538	\$110,759,900	\$1,827,538	\$0	\$0	\$0
		<b>\$55,621,919</b>		<b>\$35,914,687</b>	<b>\$19,707,232</b>	<b>\$4,447,277</b>	<b>\$15,259,955</b>

\* Simply, land/existing property during construction; with start of SIP assessment and taxation, the amount shown is met based on the real market value (RMV) as applied to property types in following order: "first to land, second to buildings, third to real property machinery and equipment and last to personal property." (ORS 307.123)

# ILLUSTRATION OF ASSESSMENT AND TAXATION UNDER OREGON STRATEGIC INVESTMENT PROGRAM (SIP) – RURAL AREA

(15-year Partial Exemption; nominal amounts/not discounted)

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1	\$5,150,000	\$84,975	\$5,150,000	\$84,975	\$0	\$0	\$0
2	\$121,554,500	\$2,005,649	\$5,304,500	\$87,524	\$1,918,125	\$0	\$1,918,125
3	\$285,851,135	\$4,716,544	\$25,000,000	\$412,500	\$4,304,044	\$500,000	\$3,804,044
4	\$267,877,213	\$4,419,974	\$25,750,000	\$424,875	\$3,995,099	\$500,000	\$3,495,099
5	\$251,266,931	\$4,145,904	\$26,522,500	\$437,621	\$3,708,283	\$500,000	\$3,208,283
6	\$235,913,724	\$3,892,576	\$27,318,175	\$450,750	\$3,441,827	\$500,000	\$2,941,827
7	\$221,719,526	\$3,658,372	\$28,137,720	\$464,272	\$3,194,100	\$500,000	\$2,694,100
8	\$208,594,088	\$3,441,802	\$28,981,852	\$478,201	\$2,963,602	\$500,000	\$2,463,602
9	\$196,454,360	\$3,241,497	\$29,851,307	\$492,547	\$2,748,950	\$500,000	\$2,248,950
10	\$185,223,915	\$3,056,195	\$30,746,847	\$507,323	\$2,548,872	\$500,000	\$2,048,872
11	\$174,832,416	\$2,884,735	\$31,669,252	\$522,543	\$2,362,192	\$500,000	\$1,862,192
12	\$165,215,135	\$2,726,050	\$32,619,330	\$538,219	\$2,187,831	\$500,000	\$1,687,831
13	\$156,312,505	\$2,579,156	\$33,597,909	\$554,366	\$2,024,791	\$500,000	\$1,524,791
14	\$148,069,707	\$2,443,150	\$34,605,847	\$570,996	\$1,872,154	\$468,038	\$1,404,115
15	\$140,436,291	\$2,317,199	\$35,644,022	\$588,126	\$1,729,072	\$432,268	\$1,296,804
16	\$133,365,831	\$2,200,536	\$36,713,343	\$605,770	\$1,594,766	\$398,692	\$1,196,075
17	\$126,815,602	\$2,092,457	\$37,814,743	\$623,943	\$1,468,514	\$367,129	\$1,101,386
18	\$120,746,285	\$1,992,314	\$120,746,285	\$1,992,314	\$0	\$0	\$0
19	\$114,866,333	\$1,895,295	\$114,866,333	\$1,895,295	\$0	\$0	\$0
20	\$110,759,900	\$1,827,538	\$110,759,900	\$1,827,538	\$0	\$0	\$0
		<b>\$55,621,919</b>		<b>\$13,559,698</b>	<b>\$42,062,221</b>	<b>\$7,166,127</b>	<b>\$34,896,095</b>

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