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# PERMANENT ADMINISTRATIVE ORDER

## OBDD 20-2026

CHAPTER 123

**OREGON BUSINESS DEVELOPMENT DEPARTMENT**

**FILED: 10/20/2026 9:42 AM**

ARCHIVES DIVISION SECRETARY OF STATE & LEGISLATIVE COUNSEL

FILING CAPTION: Adjustment to Annual Caps for the Research and Development Tax Credit for Semiconductors.

EFFECTIVE DATE: 10/20/2026

AGENCY APPROVED DATE: 10/20/2026

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AMEND: 123-401-0600

RULE TITLE: Calculation of Tax Credit Certified Amount

NOTICE FILED DATE: 07/24/2026

RULE SUMMARY: This section outlines the methodology the Department will use to determine any tax credit cap that needs to be established under the Research and Development Tax Credit for Semiconductors.

RULE TEXT:
(1) Pursuant to the Act, the Oregon Business Development Department may not certify a total amount of potential tax credits for all qualified semiconductor companies in excess of the limits in Oregon Laws 2023, chapter 298, section 8.
(2) In order to ensure availability of the Research and Development Tax Credit for Semiconductors for qualifiedsemiconductor companies seeking Certification, the Oregon Business Development Department establishes annual caps for each tax year as follows:
(a) $35 million for tax year 2024;
(b) $40,347,956 million for tax year 2025;
(c) $39,652,044 million for tax year 2026;
(d) $44 million for tax year 2027;

(e) $46 million for tax year 2028;
(f) $50 million for tax year 2029.
(3) If the total amount of certified tax credits is less than the annual cap for a particular tax year in the first year of a biennium, the amount of the difference will be added to the cap amount for the second tax year of that same biennium. The maximum amount of credit that may be certified or claimed by any taxpayer is $4,000,000 for the tax year.
(4) If the total amount of potential tax credits sought across all applications exceeds the total annual credit cap for a particular tax year, the department will reduce the certified credit amounts that exceed $200,000 by a ratio necessary to keep the total certified amounts within the limits.
(5) Taxpayers may not claim a tax credit in excess of their certified credit amount.
(6) Certification of eligibility for a particular amount of tax credit by the department does not necessarily entitle a taxpayer to claim that amount of credit. The actual amount of credit a taxpayer is eligible to claim depends on the actual qualified research expenses and basic research payments incurred by the taxpayer in Oregon during the tax year, but in no event may the taxpayer claim more credit than the amount certified by the department.
(7) All tax credits claimed remain subject to audit by the Oregon Department of Revenue, as allowed by law.
(8) The Oregon Business Development Department may order the suspension or revocation of a credit as allowed under ORS 315.061.

STATUTORY/OTHER AUTHORITY: ORS 285A.075

STATUTES/OTHER IMPLEMENTED: ORS 315.518 - 315.522, Oregon Laws 2023, chapter 298, section 5