

## **Newberg Enterprise Zone**

Oregon's Standard Enterprise Zone Program provides eligible businesses with a temporary exemption from local property taxes when they locate or expand within a designated Enterprise Zone. This tax abatement lasts for three to five years and is intended to encourage economic development by reducing the tax burden on new investments.

### **Types of Taxes That Can Be Abated:**

1. Real Property Taxes (on New Investments Only)
  - The exemption applies to property taxes levied on new buildings, structures, and improvements constructed or installed by a qualifying business within the enterprise zone.
  - However, land itself and pre-existing buildings are not eligible for the tax exemption.
2. Personal Property Taxes (on Eligible Equipment and Machinery)
  - Eligible businesses can receive an exemption from property taxes on newly acquired business-related personal property, such as:
    - Machinery and equipment used in manufacturing, processing, or distribution.
    - Office equipment and fixtures directly related to the business's operations.
  - This does not include vehicles or certain intangible assets.

### **Eligibility Criteria for Businesses:**

- Businesses must be engaged in eligible activities, such as manufacturing, processing, distribution, or other traded-sector activities (retail, construction, and some service businesses are generally excluded).
- The company must make a significant investment in new construction or business equipment.
- The business must increase employment within the enterprise zone by hiring or retaining workers.

- The company must apply for the exemption before making any new investments and comply with local enterprise zone regulations.

#### **Standard vs. Extended Enterprise Zone Benefits:**

- The standard exemption period is three years but may be extended to five years if the business meets additional requirements, such as providing higher wages and benefits to employees.
- **Some rural enterprise zones may offer additional incentives beyond the standard program.**
- Yamhill County, Oregon, offers additional incentives beyond the standard Enterprise Zone Program through the **Long-Term Rural Enterprise Zone Facilities** incentive. This program provides eligible businesses with a **7 to 15-year property tax exemption** on new investments, subject to local approval and an agreement with the zone sponsor.
- Additionally, the **Strategic Investment Program (SIP)** offers another avenue for tax incentives in Oregon. This program provides a 15-year property tax exemption on a portion of large capital investments, primarily benefiting projects in rural areas. Eligibility and benefits under the SIP are subject to specific criteria and local agreements