

Oregon Construction-in-Process Exemption from Property Taxes: Regular Statewide Use *versus* in Enterprise Zone by Authorized Business Firm

IN AN ENTERPRISE ZONE (ORS 285C.170)	ANYWHERE IN THIS STATE (ORS 307.330/340)
<i>Exemption on property for the furtherance of the production of income</i>	
Exemption useable only up to two consecutive years (collectively between either program)	
Only property NOT in service— <i>i.e.</i> , not in/ready for intended commercial use or occupancy—on January 1*	
Does not affect taxation of land or any existing property value	
Never allowed for centrally assessed/utility property	
Form filed (submitted) with county assessor/Oregon Department of Revenue (DOR) on or before subsequent April 1 — NO PROVISION FOR LATE FILING —using prescribed DOR form below	
APPLICATION FOR CONSTRUCTION-IN-PROCESS ENTERPRISE ZONE EXEMPTION, # 150-310-021	APPLICATION FOR CANCELLATION OF ASSESSMENT ON COMMERCIAL FACILITIES UNDER CONSTRUCTION, # 150-310-020
Authorized business firm files above form for qualified property that firm owns, leases or is contractually obligated to own or lease once it is placed in service	Owner of the facility/structure that is under construction files the above form
Business firm “ <i>authorized</i> ” at the time of filing form — <i>i.e.</i> , local zone manager & county assessor have approved enterprise zone authorization application	[No pre-application is necessary]
Business firm’s “authorization” is (still) “active”	[Again, irrelevant]
Property severable—a portion of which may use/continue this exemption, while another portion has already been placed in service	Exemption not allowed once any part of the facility has been placed in service
Property may involve the installation of qualified property without structural improvements	Project/facility must involve construction, reconstruction or additions to one or more buildings/structures
Modification of existing building/structure permissible (... insofar as incomplete work has appreciable value)	Work on existing building or structure must involve additions to or enlargement of building or structure
Distribution, call centers and other eligible operations treated the same as manufacturing	Non-manufacturing facility must take at least one year to build
Hotel/resort business firms may not use this program (... even if authorized in an enterprise zone)	Hotel/resorts allowed subject to other requirements
M&E/personal property needs to be inside enterprise zone for installation or erection on/at/in property of authorized business firm’s location	Machinery & equipment (M&E) must be on site for installation in or affixture to building/structure in process of construction or reconstruction/additions
All enterprise zone qualified personal property (ORS 285C.185), as well as real property machinery & equipment, in the process of installation is allowable	Personal property allowed only if it will become real property machinery & equipment upon being installed for commercial use
Property is/will be “qualified property” (ORS 285C.180)	
No known reason that firm or property will not qualify for standard enterprise zone exemption (ORS 285C.175)	[Issues of enterprise zone designation or property definitions are irrelevant]
ENTERPRISE ZONE CURRENTLY DESIGNATED AS OF JANUARY 1*	

* Annual assessment date