

HB 2096 B STAFF MEASURE SUMMARY

House Committee On Revenue

Action Date: 05/06/21

Action: Do pass with amendments and be referred to
Tax Expenditures. (Printed B-Eng.)

Vote: 7-0-0-0

Yeas: 7 - Levy, Marsh, Nathanson, Pham, Reschke, Smith G, Valderrama

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 3/25, 4/19, 5/6

WHAT THE MEASURE DOES:

Increases maximum amount of agriculture workforce housing tax credits that may be issued, from \$3.625 million per year to no more than \$16.75 million in total potential credits claimed in a biennium. Renames terms. Takes effect on January 1st, 2022.

ISSUES DISCUSSED:

- Current law tax credit limit and change to limit contained in measure
- Agriculture workforce housing supported by tax credit is available to H-2A temporary agricultural workers but housing is predominantly focused on long-term residents
- Use of qualified housing following ten year use requirement
- Supported housing available in on and off farm locations.

EFFECT OF AMENDMENT:

Modifies total potential credits claimed in a biennium to \$16.75 million.

BACKGROUND:

Taxpayers are allowed a credit for the construction, rehabilitation, or acquisition of agriculture workforce housing in Oregon. The credit is fifty percent of the eligible costs of housing projects. The credit can be taken over ten years, with a maximum allowable credit claimed in any one tax year limited to 20% of the total credit amount. Unused credit amounts may be carried forward for up to nine years. The credit can also be transferred. The Housing and Community Services Department (HCSD) may certify up to \$3.625 million in credits per year. Certification is received through an application process submitted to and approved by HCSD. The credit is scheduled to sunset on January 1, 2026.

To qualify for the credit the agriculture workforce housing must meet certain qualifications including: rehabilitation projects must restore housing to a condition that meets building code requirements, housing must be registered, if required, as an agriculture workforce camp, and the housing must be occupied by agriculture workers.