

# House Bill 3260

Sponsored by COMMITTEE ON REVENUE

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Extends sunset dates for income tax expenditures scheduled to sunset in 2007-2009 biennium.  
Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to tax expenditures; amending ORS 285C.406 and section 3, chapter 846, Oregon Laws 1991,  
3 section 6, chapter 358, Oregon Laws 1999, section 13, chapter 674, Oregon Laws 2001, section  
4 5, chapter 725, Oregon Laws 2001, sections 29, 31 and 32, chapter 618, Oregon Laws 2003, and  
5 sections 2, 6, 7, 9 and 10, chapter 826, Oregon Laws 2005; and prescribing an effective date.

6 **Be It Enacted by the People of the State of Oregon:**

7 **SECTION 1.** ORS 285C.406 is amended to read:

8 285C.406. In order for a taxpayer to claim the property tax exemption under ORS 285C.409 or  
9 a corporate excise or income tax credit under ORS 317.124:

10 (1) The written agreement between the business firm and the rural enterprise zone sponsor that  
11 is required under ORS 285C.403 (3)(c) must be entered into prior to the termination of the enterprise  
12 zone under ORS 285C.245; and

13 (2) The business firm must obtain certification under ORS 285C.403 on or before June 30,  
14 [2009] **2014**.

15 **SECTION 2.** Section 5, chapter 725, Oregon Laws 2001, is amended to read:

16 **Sec. 5.** (1) [*Sections 3 and 4 of this 2001 Act*] **ORS 315.119 and 315.123** apply to tax years be-  
17 ginning on or after January 1, 2002.

18 (2) Except as provided in [*section 3 (9) of this 2001 Act*] **ORS 315.119 (9)**, credits allowed under  
19 [*section 3 of this 2001 Act*] **ORS 315.119** apply to tax years beginning before January 1, [2008] **2013**.

20 **SECTION 3.** Section 13, chapter 674, Oregon Laws 2001, as amended by section 9, chapter 473,  
21 Oregon Laws 2003, is amended to read:

22 **Sec. 13.** ORS 315.213 applies to tax years beginning on or after January 1, 2002, and before  
23 January 1, [2009] **2014**.

24 **SECTION 4.** Section 3, chapter 846, Oregon Laws 1991, as amended by section 45, chapter 746,  
25 Oregon Laws 1995, and section 3, chapter 826, Oregon Laws 2005, is amended to read:

26 **Sec. 3.** ORS 316.153 applies to tax years beginning on or after January 1, 1992, and on or before  
27 December 31, 2001, and to tax years beginning on or after January 1, 2006, and before January 1,  
28 [2008] **2013**.

29 **SECTION 5.** Section 6, chapter 358, Oregon Laws 1999, is amended to read:

30 **Sec. 6.** [*Sections 2 and 4 of this 1999 Act*] **ORS 316.852 and 317.488** apply to donations and re-  
31 duced sales occurring in tax years beginning on or after January 1, 2000, and before January 1,

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1 [2008] **2013**.

2 **SECTION 6.** Section 2, chapter 826, Oregon Laws 2005, is amended to read:

3 **Sec. 2.** The amendments to ORS 316.153 by section 1, **chapter 826, Oregon Laws 2005**, [of this  
4 2005 Act] apply to tax credits allowed for a mobile home involuntary movement occurring in tax  
5 years that begin on or after January 1, 2006, and before January 1, [2008] **2013**.

6 **SECTION 7.** Section 6, chapter 826, Oregon Laws 2005, is amended to read:

7 **Sec. 6.** Amounts received as a result of the sale of a manufactured dwelling park to a tenants'  
8 association, facility purchase association or tenants' association supported nonprofit organization  
9 as described in ORS 90.820, to a community development corporation as described in ORS 458.210  
10 or to a housing authority as defined in ORS 456.005 are exempt from the tax imposed by [this  
11 chapter] **ORS chapter 316**.

12 **SECTION 8.** Section 7, chapter 826, Oregon Laws 2005, is amended to read:

13 **Sec. 7.** Section 6, **chapter 826, Oregon Laws 2005**, [of this 2005 Act] applies to tax years be-  
14 ginning on or after January 1, 2006, and before January 1, [2008] **2013**.

15 **SECTION 9.** Section 9, chapter 826, Oregon Laws 2005, is amended to read:

16 **Sec. 9.** Amounts received as a result of the sale of a manufactured dwelling park to a tenants'  
17 association, facility purchase association or tenants' association supported nonprofit organization  
18 as described in ORS 90.820, to a community development corporation as described in ORS 458.210  
19 or to a housing authority as defined in ORS 456.005 are exempt from the tax imposed by [this  
20 chapter] **ORS chapter 317**.

21 **SECTION 10.** Section 10, chapter 826, Oregon Laws 2005, is amended to read:

22 **Sec. 10.** Section 9, **chapter 826, Oregon Laws 2005**, [of this 2005 Act] applies to tax years be-  
23 ginning on or after January 1, 2006, and before January 1, [2008] **2013**.

24 **SECTION 11.** Section 29, chapter 618, Oregon Laws 2003, is amended to read:

25 **Sec. 29.** (1) The Department of Environmental Quality and the Department of Revenue shall  
26 adopt rules for implementing section 28, **chapter 618, Oregon Laws 2003** [of this 2003 Act]. Rules  
27 may include but need not be limited to rules specifying procedures for application, review and ap-  
28 proval of the tax credit and rules for issuance and use of a certificate of credit approval.

29 (2) The application developed under subsection (1) of this section shall include:

30 (a) The name, address and taxpayer identification number of the taxpayer;

31 (b) The number of trucks owned by the taxpayer and the number of engines eligible for the tax  
32 credit that the taxpayer has purchased; and

33 (c) Any other information that the rules adopted under subsection (1) of this section may re-  
34 quire.

35 (3) Applications filed in compliance with this section and section 28, **chapter 618, Oregon Laws**  
36 **2003**, [of this 2003 Act] shall be approved to the extent that the total of estimated tax credits for  
37 all approved purchases of engines for the calendar year is equal to or less than \$3 million. An ap-  
38 plication may not be approved if the addition of the amount of the tax credit to the amount of the  
39 tax credits for all approved purchases for the calendar year would exceed \$3 million.

40 (4) Notwithstanding section 31, **chapter 618, Oregon Laws 2003**, [of this 2003 Act,] the De-  
41 partment of Environmental Quality may approve applications for tax credits for qualifying engines  
42 purchased in calendar years 2004[, 2005, 2006 and 2007] **to 2012**, although the taxpayer may not  
43 claim the credit until a tax year beginning on or after January 1, 2005.

44 (5) The Department of Revenue may disallow, in whole or in part, a claim for credit under sec-  
45 tion 28, **chapter 618, Oregon Laws 2003**, [of this 2003 Act] upon the Department of Revenue's de-

1 termination that, under section 28, **chapter 618, Oregon Laws 2003**, [of this 2003 Act,] the taxpayer  
2 is not entitled to the credit or is entitled to only a portion of the amount claimed.

3 (6) The Department of Environmental Quality shall charge a fee of \$15 for each engine for which  
4 a taxpayer applies for a tax credit. The fee is payable to the department and may not be refunded  
5 to the applicant for any reason.

6 **SECTION 12.** Section 31, chapter 618, Oregon Laws 2003, is amended to read:

7 **Sec. 31.** The tax credit established in section 28, **chapter 618, Oregon Laws 2003**, [of this 2003  
8 Act] applies to tax years beginning on and after January 1, 2005, and to engine model years 2003[,  
9 2004, 2005, 2006 and 2007] **to 2012**.

10 **SECTION 13.** Section 32, chapter 618, Oregon Laws 2003, is amended to read:

11 **Sec. 32.** A certificate of credit approval may not be issued under section 29, **chapter 618,**  
12 **Oregon Laws 2003**, [of this 2003 Act] after December 31, [2007] **2012**.

13 **SECTION 14.** **This 2007 Act takes effect on the 91st day after the date on which the**  
14 **regular session of the Seventy-fourth Legislative Assembly adjourns sine die.**

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