

## HOUSE AMENDMENTS TO HOUSE BILL 3364

By COMMITTEE ON REVENUE

June 15

1 On page 1 of the printed bill, line 2, delete “and” and delete “315.104” and insert “314.752,  
2 315.104, 318.031, 526.450, 526.455, 526.465 and 526.475; and repealing ORS 315.104, 315.106 and  
3 315.108”.

4 In line 9, delete “526.490 (5)(c)” and insert “315.106 (4)”.

5 On page 2, after line 20, insert:

6 “(d) Prior to December 31, 2022, the taxpayer must file with the State Forester a written request  
7 for preliminary certification under ORS 315.106.”.

8 On page 3, after line 12, insert:

9 “**SECTION 3.** ORS 314.752 is amended to read:

10 “314.752. (1) Except as provided in ORS 314.740 (5)(b), the tax credits allowed or allowable to  
11 a C corporation for purposes of ORS chapter 317 or 318 shall not be allowed to an S corporation.  
12 The business tax credits allowed or allowable for purposes of ORS chapter 316 shall be allowed or  
13 are allowable to the shareholders of the S corporation.

14 “(2) In determining the tax imposed under ORS chapter 316, as provided under ORS 314.734, on  
15 income of the shareholder of an S corporation, there shall be taken into account the shareholder’s  
16 pro rata share of business tax credit (or item thereof) that would be allowed to the corporation (but  
17 for subsection (1) of this section) or recapture or recovery thereof. The credit (or item thereof), re-  
18 capture or recovery shall be passed through to shareholders in pro rata shares as determined in the  
19 manner prescribed under section 1377(a) of the Internal Revenue Code.

20 “(3) The character of any item included in a shareholder’s pro rata share under subsection (2)  
21 of this section shall be determined as if such item were realized directly from the source from which  
22 realized by the corporation, or incurred in the same manner as incurred by the corporation.

23 “(4) If the shareholder is a nonresident and there is a requirement applicable for the business  
24 tax credit that in the case of a nonresident the credit be allowed in the proportion provided in ORS  
25 316.117, then that provision shall apply to the nonresident shareholder.

26 “(5) As used in this section, ‘business tax credit’ means a tax credit granted to personal income  
27 taxpayers to encourage certain investment, to create employment, economic opportunity or incentive  
28 or for charitable, educational, scientific, literary or public purposes that is listed under this sub-  
29 section as a business tax credit or is designated as a business tax credit by law or by the Depart-  
30 ment of Revenue by rule and includes but is not limited to the following credits: ORS 285C.309  
31 (tribal taxes on reservation enterprise zones), [ORS 315.104 (forestation and reforestation),] ORS  
32 315.134 (fish habitat improvement), ORS 315.138 (fish screening, by-pass devices, fishways), ORS  
33 315.156 (crop gleaning), ORS 315.164 and 315.169 (farmworker housing), ORS 315.204 (dependent care  
34 assistance), ORS 315.208 (dependent care facilities), ORS 315.213 (contributions for child care), ORS  
35 315.254 (youth apprenticeship sponsorship), ORS 315.304 (pollution control facility), ORS 315.324

1 (plastics recycling), ORS 315.354 and ORS 469.207 (energy conservation facilities), ORS 315.507  
2 (electronic commerce), ORS 315.511 (advanced telecommunications facilities), ORS 315.604 (bone  
3 marrow transplant expenses) and ORS 317.115 (fueling stations necessary to operate an alternative  
4 fuel vehicle).

5 “**SECTION 4.** ORS 318.031 is amended to read:

6 “318.031. It being the intention of the Legislative Assembly that this chapter and ORS chapter  
7 317 shall be administered as uniformly as possible (allowance being made for the difference in im-  
8 position of the taxes), ORS 305.140 and 305.150, ORS chapter 314 and the following sections are in-  
9 corporated into and made a part of this chapter: ORS 285C.309, [315.104,] 315.134, 315.156, 315.204,  
10 315.208, 315.213, 315.254, 315.304, 315.507, 315.511 and 315.604 (all only to the extent applicable for  
11 a corporation) and ORS chapter 317.

12 “**SECTION 5.** ORS 526.450 is amended to read:

13 “526.450. ORS [315.104,] 318.031 and 526.450 to 526.475 may be cited as the ‘Woodland Manage-  
14 ment Act of 1979.’

15 “**SECTION 6.** ORS 526.455 is amended to read:

16 “526.455. As used in ORS [315.104,] 318.031 and 526.450 to 526.475, unless the context requires  
17 otherwise:

18 “(1) ‘Approved forest management practice’ means and includes site preparation, tree planting,  
19 precommercial thinning, release, fertilization, animal damage control, insect and disease manage-  
20 ment or such other young growth management practices that increase wood growth as the State  
21 Forester shall approve or determine proper generally with regard to any particular applicant.

22 “(2) ‘Board’ means State Board of Forestry.

23 “(3) ‘Commercial forestland’ means land for which a primary use is the growing and harvesting  
24 of forest tree species and other forest resource values.

25 “(4) ‘Eligible owner’ means any private individual, group, Indian tribe or other native group,  
26 association, corporation or other nonpublic legal entity owning 10 to 500 acres of Oregon commer-  
27 cial forestland.

28 “(5) ‘Forest management plan’ means an operation plan to reach landowner objectives and as-  
29 sures public benefits as they relate to producing timber and other values. It shall include a cover  
30 map, basic forest stand description data, treatment opportunities, landowner objectives and a  
31 schedule for implementing the forest management plan.

32 “(6) ‘Forest management practices’ means and includes site preparation, tree planting, precom-  
33 mercial thinning, release, fertilization, animal damage control, insect and disease management and  
34 other young growth management practices that increase wood growth.

35 “(7) ‘Industrial private forestlands’ means lands capable of producing crops of industrial wood,  
36 greater than 10 acres and owned by other than an eligible owner.

37 “(8) ‘Industrial wood’ means forest products used to sustain a sawmill, plywood mill, pulp mill  
38 or other forest industry related manufacturing facility.

39 “(9) ‘Landowner’ means any private individual, group, Indian tribe or other native group, asso-  
40 ciation, corporation or other legal entity, owning both the forestland and any timber thereon.

41 “(10) ‘Nonindustrial private forestlands’ means lands capable of producing crops of industrial  
42 wood and owned by an eligible owner.

43 “(11) ‘State Forester’ means the individual appointed pursuant to ORS 526.031, or the authorized  
44 representative of the State Forester.

45 “(12) ‘Timber’ means wood growth, mature or immature, growing or dead, standing or down of

1 species acceptable for regeneration under the Oregon Forest Practices Act.

2 “(13) ‘Underproductive forestlands’ means commercial forestlands not meeting the minimum  
3 stocking standards of the Oregon Forest Practices Act.

4 “**SECTION 7.** ORS 526.465 is amended to read:

5 “526.465. The purpose of ORS [315.104,] 318.031 and 526.450 to 526.475 is to encourage long term  
6 forestry investments that lead to increased management of Oregon’s forestlands by:

7 “[1] *Providing the forest owner with tax relief during the timber growth period.*]

8 “[2] (1) Promoting programs that provide forest credit on young stands and encourage har-  
9 vesting of mature forest crops.

10 “[3] (2) Promoting the establishment of new forest crops on cutover, denuded or underproduc-  
11 tive privately owned forestlands.

12 “[4] (3) Protecting the public interest by assuring that the citizens of the state and future  
13 generations shall have the benefits to be derived from the continuous production of forest products  
14 from the private forestlands of Oregon, including jobs, taxes, water, erosion control and habitat for  
15 wild game.

16 “**SECTION 8.** ORS 526.475 is amended to read:

17 “526.475. (1) Any owner affected by a determination of the State Forester made under ORS  
18 [315.104,] 318.031 and 526.450 to 526.475 may appeal to the State Board of Forestry under such rules  
19 as it may adopt. An appeal to set aside any decision of the board with respect to ORS [315.104 or]  
20 318.031 may be taken within 60 days of the decision to the Oregon Tax Court in the manner pro-  
21 vided for tax cases under ORS chapter 305.

22 “(2) Any owner affected by a determination of the Department of Revenue made under ORS  
23 [315.104 or] 318.031 may appeal directly to the tax court under ORS 305.404 to 305.560.

24 “**SECTION 9.** ORS 315.104, 315.106 and 315.108 are repealed on January 2, 2028.

25 “**SECTION 10.** The amendments to ORS 314.752, 318.031, 526.450, 526.455, 526.465 and  
26 526.475 by sections 3 to 8 of this 2007 Act become operative on January 2, 2028.”.