

# House Bill 3417

Sponsored by Representative BUTLER

## 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**.

Creates main street property incremental tax credit of one-third of increase in assessed property value for owners rehabilitating main street property.

Applies to income tax years beginning on or after January 1, 2008, and to property tax years beginning on or after July 1, 2007.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1 Relating to main street property incremental tax credit; and prescribing an effective date.

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

### **SECTION 1. (1) As used in this section:**

4 (a) "Main street property" means commercial property that is at least 50 years of age.

5 (b) "Rehabilitation" has the meaning given that term in ORS 358.480.

6 (2) A qualified person shall be allowed a credit against the taxes otherwise due under ORS  
7 chapter 316 in an amount determined under subsection (3) of this section for property taxes  
8 paid or incurred by the person during the tax year on a main street property owned by the  
9 person if:

10 (a) The person has filed a plan for rehabilitation or a notice of intent to restore the  
11 property with the State Historic Preservation Officer;

12 (b) The person has commenced rehabilitation or restoration of the commercial property;  
13 and

14 (c) The person has paid property tax on the property during the preceding tax year.

15 (3) The amount of the credit allowed under this section shall be equal to one-third of the  
16 amount of the increase in assessed value of the property that has occurred since:

17 (a) For the first year that the credit is claimed by the taxpayer, the commencement of  
18 rehabilitation of the property; and

19 (b) After the first year the taxpayer claims the credit, the commencement of the current  
20 tax year.

21 (4) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or  
22 if the Department of Revenue terminates the person's taxable year under ORS 314.440, the  
23 credit allowed under this section shall be prorated or computed in a manner consistent with  
24 ORS 314.085.

25 (5) The Department of Revenue may adopt rules relating to the administration and  
26 enforcement of this section. The department shall prescribe a form that requires the State  
27 Historic Preservation Officer to certify that the person qualifies for the credit allowed under  
28 this section.

29 (6) The credit allowed under this section may not exceed the tax liability of the person  
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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 and may not be carried forward to another tax year.

2 **SECTION 2.** Section 1 of this 2007 Act applies to income tax years beginning on or after  
3 January 1, 2008, and to property tax years beginning on or after July 1, 2007.

4 **SECTION 3.** This 2007 Act takes effect on the 91st day after the date on which the reg-  
5 ular session of the Seventy-fourth Legislative Assembly adjourns sine die.

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