

House Bill 3508

Sponsored by Representative DINGFELDER; Representative ROSENBAUM

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 sunset provision for personal income or corporate excise or income tax expenditures that are not required under federal law or Oregon Constitution, or to avoid double taxation.
Creates Oregon Tax Expenditure Commission.

A BILL FOR AN ACT

1
2 Relating to tax expenditures; creating new provisions; amending ORS 469.720 and section 19, chapter
3 954, Oregon laws 2001; repealing ORS 315.311, 316.074, 316.789, 317.111, 468A.095, 468A.096 and
4 468A.098; and providing for revenue raising that requires approval by a three-fifths majority.

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

6 **SECTION 1. Except as provided in ORS 315.113 (8), a credit under ORS 315.113 may not**
7 **be claimed for tax years beginning on or after January 1, 2012.**

8 **SECTION 2. A certificate may not be issued under ORS 496.260 on or after January 1,**
9 **2012, for a fish habitat improvement tax credit under ORS 315.134.**

10 **SECTION 3. The State Department of Fish and Wildlife may not issue a preliminary**
11 **certificate under ORS 315.138 on or after January 1, 2012.**

12 **SECTION 4. Except as provided in ORS 315.156 (4), a credit under ORS 315.156 may not**
13 **be claimed for tax years beginning on or after January 1, 2012.**

14 **SECTION 5. The Housing and Community Services Department may not issue a letter**
15 **of credit approval under ORS 315.167 on or after January 1, 2012.**

16 **SECTION 6. ORS 315.208 does not apply to tax years beginning on or after January 1,**
17 **2012.**

18 **SECTION 7. Except as provided in ORS 315.237 (6), a credit under ORS 315.237 may not**
19 **be claimed for tax years beginning on or after January 1, 2012.**

20 **SECTION 8. Except as provided in ORS 315.254 (3), a credit under ORS 315.254 may not**
21 **be claimed for tax years beginning on or after January 1, 2012.**

22 **SECTION 9. The Employment Department may not authorize issuance of a certificate**
23 **under ORS 315.259 on or after January 1, 2012.**

24 **SECTION 10. ORS 315.262 does not apply to tax years beginning on or after January 1,**
25 **2012.**

26 **SECTION 11. ORS 315.266 does not apply to tax years beginning on or after January 1,**
27 **2012.**

28 **SECTION 12. Except as provided in ORS 315.271 (4), a credit under ORS 315.271 may not**
29 **be claimed for tax years beginning on or after January 1, 2012.**

30 **SECTION 13. If the construction or installation of a pollution control facility is com-**
31 **menced after December 31, 2011, the facility may not be certified under ORS 468.170.**

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 **SECTION 14.** ORS 315.311, 468A.095, 468A.096 and 468A.098 are repealed.

2 **SECTION 15.** An application for certification of an investment to collect, transport or
3 process reclaimed plastic or to manufacture a reclaimed plastic product may not be certified
4 under ORS 468.466 on or after January 1, 2012.

5 **SECTION 16.** An application for preliminary certification of a facility may not be issued
6 under ORS 469.210 on or after January 1, 2012.

7 **SECTION 17.** Except as provided in ORS 315.507 (5), a credit may not be claimed under
8 ORS 315.507 for a tax year beginning on or after January 1, 2012.

9 **SECTION 18.** The Economic and Community Development Department may not certify
10 an advanced telecommunications facility under ORS 285C.530 on or after January 1, 2012.

11 **SECTION 19.** The Oregon Film and Video Office may not issue a certificate under ORS
12 315.514 on or after January 1, 2012.

13 **SECTION 20.** ORS 315.610 does not apply to tax years beginning on or after January 1,
14 2012.

15 **SECTION 21.** Section 19, chapter 954, Oregon Laws 2001, is amended to read:

16 **Sec. 19.** [*Section 18 of this 2001 Act*] **ORS 315.675** applies to tax years beginning on or after
17 January 1, 2002, and before January 1, [2013] 2012.

18 **SECTION 22.** ORS 316.074 is repealed.

19 **SECTION 23.** Except as provided in ORS 316.076 (3), a deduction under ORS 316.076 may
20 not be claimed for tax years beginning on or after January 1, 2012.

21 **SECTION 24.** Except as provided in ORS 316.078 (5), a credit under ORS 316.078 may not
22 be claimed for tax years beginning on or after January 1, 2012.

23 **SECTION 25.** A credit may not be claimed under ORS 316.079 for tax years beginning on
24 or after January 1, 2012.

25 **SECTION 26.** A credit under ORS 316.085 may not be claimed for tax years beginning on
26 or after January 1, 2012.

27 **SECTION 27.** A credit may not be claimed under ORS 316.087 for tax years beginning on
28 or after January 1, 2012.

29 **SECTION 28.** Except as provided in ORS 316.095 (4), a credit may not be claimed under
30 ORS 316.095 for tax years beginning on or after January 1, 2012.

31 **SECTION 29.** A credit may not be claimed under ORS 316.099 for tax years beginning on
32 or after January 1, 2012.

33 **SECTION 30.** A credit may not be claimed under ORS 316.102 for tax years beginning on
34 or after January 1, 2012.

35 **SECTION 31.** The State Department of Energy may not certify an alternative energy
36 device or solar electric system under ORS 469.170 on or after January 1, 2012.

37 **SECTION 32.** The Office of Rural Health may not certify an individual under ORS 442.561,
38 442.562, 442.563 or 442.564 as eligible for a tax credit under ORS 315.613 or 315.616 on or after
39 January 1, 2012.

40 **SECTION 33.** A credit may not be claimed under ORS 316.148 for tax years beginning on
41 or after January 1, 2012.

42 **SECTION 34.** A credit may not be claimed under ORS 316.157 for tax years beginning on
43 or after January 1, 2012.

44 **SECTION 35.** ORS 316.159 does not apply to tax years beginning on or after January 1,
45 2012.

1 **SECTION 36.** ORS 316.680 (1)(b), (c), (e), (h) and (i) do not apply to tax years beginning
 2 on or after January 1, 2012.

3 **SECTION 37.** ORS 316.681 does not apply to tax years beginning on or after January 1,
 4 2012.

5 **SECTION 38.** ORS 316.695 (1)(d)(B) and (7) do not apply to tax years beginning on or after
 6 January 1, 2012.

7 **SECTION 39.** ORS 316.699 does not apply to tax years beginning on or after January 1,
 8 2012.

9 **SECTION 40.** ORS 316.744 does not apply to tax years beginning on or after January 1,
 10 2012.

11 **SECTION 41.** A credit may not be claimed under ORS 316.758 for tax years beginning on
 12 or after January 1, 2012.

13 **SECTION 42.** A credit may not be claimed under ORS 316.765 for tax years beginning on
 14 or after January 1, 2012.

15 **SECTION 43.** The Economic and Community Development Department may not issue a
 16 preliminary certification under ORS 285C.503 on or after January 1, 2012.

17 **SECTION 44.** ORS 316.789 is repealed.

18 **SECTION 45.** ORS 316.812 does not apply to tax years beginning on or after January 1,
 19 2012.

20 **SECTION 46.** ORS 316.832 does not apply to tax years beginning on or after January 1,
 21 2012.

22 **SECTION 47.** ORS 316.834 does not apply to tax years beginning on or after January 1,
 23 2012.

24 **SECTION 48.** ORS 316.838 does not apply to tax years beginning on or after January 1,
 25 2012.

26 **SECTION 49.** ORS 316.846 does not apply to tax years beginning on or after January 1,
 27 2012.

28 **SECTION 50.** ORS 316.848 does not apply to tax years beginning on or after January 1,
 29 2012.

30 **SECTION 51.** The Housing and Community Services Department may not issue a certif-
 31 icate under ORS 317.097 on or after January 1, 2012.

32 **SECTION 52.** ORS 317.111 is repealed.

33 **SECTION 53.** ORS 469.720 is amended to read:

34 469.720. (1) A dwelling owner who is or who rents to a residential fuel oil customer, or who is
 35 or who rents to a wood heating resident, may not apply for low-interest financing under ORS 469.710
 36 to 469.720 unless:

37 (a) The dwelling owner, customer or resident has first requested and obtained an energy audit
 38 from a fuel oil dealer, a publicly owned utility or an investor-owned utility or from a person under
 39 contract with the State Department of Energy under ORS 316.744, [317.111,] 317.386 and 469.631 to
 40 469.687;

41 (b) The dwelling owner first submits to the department written permission to inspect the in-
 42 stallations to verify that installation of energy conservation measures has been made;

43 (c) The dwelling owner presents to the lending institution a copy of the energy audit together
 44 with certification that the dwelling in question receives space heating from fuel oil or wood and a
 45 copy of the written permission to inspect submitted to the department under paragraph (b) of this

1 subsection; and

2 (d) The dwelling owner does not receive any other state incentives for that part of the cost of
3 the energy conservation measures to be financed by the loan.

4 (2) Any dwelling owner applying for low-interest financing under ORS 469.710 to 469.720 who is
5 or who rents to a residential fuel oil customer, or who is or who rents to a wood heating resident,
6 may use without obtaining a new energy audit any assistance and technical advice obtained from
7 an energy supplier before November 1, 1981, under chapter 887, Oregon Laws 1977, or from a public
8 utility under chapter 889, Oregon Laws 1977, including an estimate of cost for installation of
9 weatherization materials.

10 **SECTION 54. Except as provided in ORS 317.112 (2), a credit under ORS 317.112 may not**
11 **be claimed for tax years beginning on or after January 1, 2012.**

12 **SECTION 55. ORS 317.122 does not apply to tax years beginning on or after January 1,**
13 **2012.**

14 **SECTION 56. A sponsor and the county assessor may not certify a business firm under**
15 **ORS 285C.403 on or after January 1, 2012.**

16 **SECTION 57. ORS 317.147 does not apply to tax years beginning on or after January 1,**
17 **2012.**

18 **SECTION 58. ORS 317.267 (2) does not apply to tax years beginning on or after January**
19 **1, 2012.**

20 **SECTION 59. ORS 317.273 does not apply to tax years beginning on or after January 1,**
21 **2012.**

22 **SECTION 60. ORS 317.307 does not apply to tax years beginning on or after January 1,**
23 **2012.**

24 **SECTION 61. ORS 317.310 does not apply to tax years beginning on or after January 1,**
25 **2012.**

26 **SECTION 62. ORS 317.319 (2) does not apply to tax years beginning on or after January**
27 **1, 2012.**

28 **SECTION 63. ORS 317.383 does not apply to tax years beginning on or after January 1,**
29 **2012.**

30 **SECTION 64. ORS 317.386 does not apply to tax years beginning on or after January 1,**
31 **2012.**

32 **SECTION 65. ORS 317.476 does not apply to tax years beginning on or after January 1,**
33 **2012.**

34 **SECTION 66. ORS 317.478 (3) does not apply to tax years beginning on or after January**
35 **1, 2012.**

36 **SECTION 67. ORS 317.665 does not apply to tax years beginning on or after January 1,**
37 **2012.**

38 **SECTION 68. ORS 317.720 does not apply to tax years beginning on or after January 1,**
39 **2012.**

40 **SECTION 69. (1) There is established the Oregon Tax Expenditure Commission consisting**
41 **of five members appointed by the Governor and subject to confirmation by the Senate in the**
42 **manner prescribed in ORS 171.562 and 171.565.**

43 **(2) Members of the commission must be residents of this state who are well informed on**
44 **the principles of individual and corporate excise tax expenditures and who represent a vari-**
45 **ety of economic interests, including business, labor and retirees.**

1 (3) The term of office of each member is four years, but a member serves at the pleasure
2 of the Governor. Before the expiration of the term of a member, the Governor shall appoint
3 a successor whose term begins on January 1 next following. A member is eligible for reap-
4 pointment. If there is a vacancy for any cause, the Governor shall make an appointment to
5 become immediately effective for the unexpired term.

6 **SECTION 70.** (1) The Oregon Tax Expenditure Commission shall select one of its mem-
7 bers as chairperson and another as vice chairperson, with duties and powers necessary for
8 the performance of the functions of the offices.

9 (2) A majority of the members of the commission constitutes a quorum for the trans-
10 action of business.

11 (3) The vote of a majority of the quorum is required to conduct official business.

12 **SECTION 71.** The Oregon Tax Expenditure Commission shall meet at least once every
13 three months at a place, day and hour determined by the chairperson. The commission may
14 also meet at other times and places specified by the call of a majority of the members.

15 **SECTION 72.** (1) The Oregon Tax Expenditure Commission shall:

16 (a) Analyze the tax expenditure laws of this state; and

17 (b) Make findings and recommendations regarding tax expenditures to the Legislative
18 Assembly in the manner prescribed in ORS 192.230 to 192.250.

19 (2) The commission may adopt rules necessary to carry out the powers and duties of
20 sections 69 to 72 of this 2007 Act.

21 **SECTION 73.** Notwithstanding the term of office specified by section 69 of this 2007 Act,
22 of the members first appointed to the Oregon Tax Expenditure Commission:

23 (1) One shall serve for a term ending December 31, 2008;

24 (2) One shall serve for a term ending December 31, 2009;

25 (3) One shall serve for a term ending December 31, 2010; and

26 (4) Two shall serve for terms ending December 31, 2011.

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