

A-Engrossed
House Bill 2067

Ordered by the House April 14
Including House Amendments dated April 14

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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.

Creates or adjusts sunset provision for certain personal income or corporate excise tax credits that are not required under federal law or Oregon Constitution. **Requires future tax credits to sunset within six tax years of initial tax year for which credit is applicable.**

A BILL FOR AN ACT

1
2 Relating to sunset of tax credits; creating new provisions; and amending ORS 285C.406, 315.104,
3 315.271, 315.357, 315.514 and 317.097 and section 5, chapter 695, Oregon Laws 1985, section 5,
4 chapter 605, Oregon Laws 1987, section 10, chapter 682, Oregon Laws 1987, section 6, chapter
5 911, Oregon Laws 1989, section 13, chapter 674, Oregon Laws 2001, section 19, chapter 954,
6 Oregon Laws 2001, sections 31 and 32, chapter 618, Oregon Laws 2003, section 77, chapter 736,
7 Oregon Laws 2003, section 2, chapter 677, Oregon Laws 2005, sections 5a, 8a and 66, chapter
8 832, Oregon Laws 2005, sections 6 and 29, chapter 739, Oregon Laws 2007, section 9, chapter
9 765, Oregon Laws 2007, sections 8, 9, 49, 52 and 83, chapter 843, Oregon Laws 2007, sections
10 14 and 16a, chapter 855, Oregon Laws 2007, section 3, chapter 868, Oregon Laws 2007, section
11 5, chapter 880, Oregon Laws 2007, and section 18, chapter 906, Oregon Laws 2007.

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

13 **SECTION 1.** Section 77, chapter 736, Oregon Laws 2003, is amended to read:

14 **Sec. 77.** [*Section 76 of this 2003 Act*] **ORS 315.514** applies to tax years beginning on or after
15 January 1, 2005, **and before January 1, 2014**, and to tax credit certifications issued by the Oregon
16 Film and Video Office on or after July 1, 2005.

17 **SECTION 2.** ORS 315.514 is amended to read:

18 315.514. (1) A credit against the taxes that are otherwise due under ORS chapter 316 or, if the
19 taxpayer is a corporation, under ORS chapter 317 or 318, is allowed to a taxpayer for certified film
20 production development contributions made by the taxpayer during the tax year to the Oregon
21 Production Investment Fund established under ORS 284.367.

22 (2)(a) The amount of the tax credit shall equal the amount certified for credit by the Oregon
23 Film and Video Office, except that a contribution must equal at least 90 percent of the tax credit.

24 (b) The Oregon Film and Video Office shall adopt rules for determining the amount of tax credit
25 to be certified by the office. The rules shall be adopted in order to achieve the following goals:

26 (A) Subject to paragraph (a) of this subsection, generate contributions for which tax credits of
27 \$5 million are certified for each fiscal year;

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 (B) Maximize income and excise tax revenues that are retained by the State of Oregon for state
2 operations; and

3 (C) Provide the necessary financial incentives for taxpayers to make contributions, taking into
4 consideration the impact of granting a credit upon a taxpayer's federal income tax liability.

5 (3) A taxpayer seeking a tax credit under this section shall apply for tax credit certification to
6 the Oregon Film and Video Office on a form supplied by the office. The taxpayer shall include pay-
7 ment of the contribution at the time of application.

8 (4) Contributions made under this section shall be deposited in the Oregon Production Invest-
9 ment Fund.

10 (5)(a) Upon receipt of a contribution, the Oregon Film and Video Office shall issue to the tax-
11 payer written certification of the amount certified for tax credit under this section to the extent the
12 amount certified for tax credit, when added to all amounts previously certified for tax credit under
13 this section, does not exceed \$5 million for the fiscal year in which certification is made.

14 (b) The Oregon Film and Video Office is not liable, and a refund of a contributed amount need
15 not be made, if a taxpayer who has received tax credit certification is unable to use all or a portion
16 of the tax credit to offset the tax liability of the taxpayer.

17 (6) To the extent the Oregon Film and Video Office does not certify contributed amounts as el-
18 igible for a tax credit under this section, the taxpayer may request a refund of the amount the tax-
19 payer contributed, and the office shall refund that amount.

20 (7)(a) Except as provided in paragraph (b) of this subsection, a tax credit claimed under this
21 section may not exceed the tax liability of the taxpayer and may not be carried over to another tax
22 year.

23 (b) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
24 particular tax year may be carried forward and offset against the taxpayer's tax liability for the next
25 succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried
26 forward and used in the second succeeding tax year, and likewise, any credit not used in that second
27 succeeding tax year may be carried forward and used in the third succeeding tax year but may not
28 be carried forward for any tax year thereafter.

29 (c) A taxpayer is not eligible for a tax credit under this section if the first tax year for which
30 the credit would otherwise be allowed begins on or after January 1, [2012] **2014**.

31 (8) If a tax credit is claimed under this section by a nonresident or part-year resident taxpayer,
32 the amount shall be allowed without proration under ORS 316.117.

33 (9) A taxpayer who has received a tax credit certificate under this section may sell the certif-
34 icate to another taxpayer. The sale is effective only if a notice of tax credit certificate sale is filed
35 with the Department of Revenue. The notice shall be filed on a form prescribed by the department
36 on or before the date on which the income or corporate excise tax return of the buyer for the first
37 year for which the credit could be claimed is filed or due, whichever is earlier. The notice form shall
38 include the following information:

39 (a) The name and taxpayer identification number of the seller;

40 (b) The name and taxpayer identification number of the buyer;

41 (c) The amount of the tax credit certificate that is being sold to the buyer;

42 (d) The amount of the tax credit certificate that is being retained by the seller; and

43 (e) Any other information required by the department.

44 (10) If requested by the Department of Revenue, the Oregon Film and Video Office shall supply
45 a list of taxpayers that have obtained tax credit certification under this section, and for each listed

1 taxpayer disclose:

2 (a) The amount of contribution made by the taxpayer; and

3 (b) The amount certified for tax credit under this section.

4 (11) If the amount of contribution for which a tax credit certification is made is allowed as a
5 deduction for federal tax purposes, the amount of the contribution shall be added to federal taxable
6 income for Oregon tax purposes.

7 **SECTION 3.** Section 6, chapter 911, Oregon Laws 1989, as amended by section 14, chapter 746,
8 Oregon Laws 1995, section 1, chapter 548, Oregon Laws 2001, section 15, chapter 739, Oregon Laws
9 2003, and section 86, chapter 94, Oregon Laws 2005, is amended to read:

10 **Sec. 6.** ORS 317.152, [to] **317.153 and 317.154** apply to amounts paid or incurred in tax years
11 beginning on or after January 1, 1989, and before January 1, [2012] **2014**.

12 **SECTION 4.** ORS 285C.406 is amended to read:

13 285C.406. In order for a taxpayer to claim the property tax exemption under ORS 285C.409 or
14 a corporate excise or income tax credit under ORS 317.124:

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

18 (2)(a) **For the purpose of the property tax exemption**, the business firm must obtain certifi-
19 cation under ORS 285C.403 on or before June 30, 2013[.]; **or**

20 **(b) For the purpose of the corporate excise or income tax credit, the business firm must**
21 **obtain certification under ORS 285C.403 on or before June 30, 2014.**

22 **SECTION 5.** A credit may not be claimed under ORS 285C.309 for tax years beginning on
23 **or after January 1, 2016.**

24 **SECTION 6.** Except as provided in ORS 315.507 (5), a credit may not be claimed under
25 **ORS 315.507 for tax years beginning on or after January 1, 2014.**

26 **SECTION 7.** Section 2, chapter 677, Oregon Laws 2005, is amended to read:

27 **Sec. 2.** [Section 1 of this 2005 Act] **ORS 315.517** applies to persons initially hired on or after
28 January 1, 2006, and for which a credit is claimed for tax years beginning on or after January 1,
29 2006, and before January 1, [2013] **2014**.

30 **SECTION 8.** Except as provided in ORS 315.156 (4), a credit may not be claimed under
31 **ORS 315.156 for tax years beginning on or after January 1, 2014.**

32 **SECTION 9.** Except as provided in ORS 315.113 (8), a credit may not be claimed under
33 **ORS 315.113 for tax years beginning on or after January 1, 2014.**

34 **SECTION 10.** Section 31, chapter 618, Oregon Laws 2003, as amended by section 55, chapter
35 843, Oregon Laws 2007, and section 19, chapter 855, Oregon Laws 2007, is amended to read:

36 **Sec. 31.** The tax credit established in section 28, chapter 618, Oregon Laws 2003, applies to tax
37 years beginning on and after January 1, 2005, and to engine model years 2003 through [2011] **2013**.

38 **SECTION 11.** Section 32, chapter 618, Oregon Laws 2003, as amended by section 56, chapter
39 843, Oregon Laws 2007, and section 20, chapter 855, Oregon Laws 2007, is amended to read:

40 **Sec. 32.** A certificate of credit approval may not be issued under section 29, chapter 618, Oregon
41 Laws 2003, after December 31, [2011] **2013**.

42 **SECTION 12.** Section 49, chapter 843, Oregon Laws 2007, is amended to read:

43 **Sec. 49.** Sections 47 and 48, **chapter 843, Oregon Laws 2007**, [of this 2007 Act] apply to diesel
44 engine repower and retrofit tax credit cost certifications issued in tax years beginning on or after
45 January 1, 2008, **and before January 1, 2014**.

1 **SECTION 13.** Section 14, chapter 855, Oregon Laws 2007, is amended to read:

2 **Sec. 14.** Sections 12 and 13, **chapter 855, Oregon Laws 2007**, [of this 2007 Act] apply to diesel
3 engine repower and retrofit tax credit cost certifications issued in tax years beginning on or after
4 January 1, 2008, **and before January 1, 2014.**

5 **SECTION 14.** Section 52, chapter 843, Oregon Laws 2007, is amended to read:

6 **Sec. 52.** Sections 47, 48, 50 and 51, **chapter 843, Oregon Laws 2007**, [of this 2007 Act] are re-
7 pealed on January 2, [2018] **2014.**

8 **SECTION 15.** Section 16a, chapter 855, Oregon Laws 2007, is amended to read:

9 **Sec. 16a.** Sections 12 to 16, **chapter 855, Oregon Laws 2007**, [of this 2007 Act] are repealed
10 on January 2, [2018] **2014.**

11 **SECTION 16. The State Department of Fish and Wildlife may not issue a preliminary**
12 **certificate of approval under ORS 315.138 after January 1, 2014.**

13 **SECTION 17.** Section 5a, chapter 832, Oregon Laws 2005, as amended by section 35, chapter
14 843, Oregon Laws 2007, is amended to read:

15 **Sec. 5a.** A taxpayer may not be allowed a credit under ORS 316.116 if the first tax year for
16 which the credit would otherwise be allowed with respect to an alternative energy device or alter-
17 native fuel vehicle or related equipment is on or after January 1, [2016] **2014.**

18 **SECTION 18.** Section 8a, chapter 832, Oregon Laws 2005, is amended to read:

19 **Sec. 8a.** The State Department of Energy may not issue a contractor's certification certificate,
20 alternative energy device system certificate or alternative fuel vehicle or related equipment certif-
21 icate under ORS 469.170 after January 1, [2016] **2014.**

22 **SECTION 19. A credit may not be claimed under ORS 317.115 for tax years beginning on**
23 **or after January 1, 2014.**

24 **SECTION 20.** ORS 315.357 is amended to read:

25 315.357. A taxpayer may not be allowed a credit under ORS 315.354 if the first tax year for
26 which the credit with respect to a facility certified under ORS 469.215 would otherwise be allowed
27 begins on or after January 1, [2016] **2014.**

28 **SECTION 21. Except as provided in ORS 317.112 (2), a credit may not be claimed under**
29 **ORS 317.112 for tax years beginning on or after January 1, 2014.**

30 **SECTION 22.** Section 29, chapter 739, Oregon Laws 2007, is amended to read:

31 **Sec. 29.** [Sections 27 and 28 of this 2007 Act] **ORS 315.465 and 315.469** apply to tax years be-
32 ginning on or after January 1, 2007, and before January 1, [2013] **2014.**

33 **SECTION 23.** Section 6, chapter 739, Oregon Laws 2007, as amended by section 5, chapter 590,
34 Oregon Laws 2007, is amended to read:

35 **Sec. 6.** (1) [Sections 2, 3 and 5, chapter 739, Oregon Laws 2007,] **ORS 315.141, 315.144 and**
36 **469.790** apply to tax credits for tax years beginning on or after January 1, 2007, and before January
37 1, [2013] **2014.**

38 (2) Notwithstanding subsection (1) of this section, a tax credit is not allowed for wheat grain
39 (other than nongrain wheat material) before tax years beginning on or after January 1, 2009, or on
40 or after January 1, [2013] **2014.**

41 **SECTION 24.** ORS 315.104 is amended to read:

42 315.104. (1) A credit against the taxes otherwise due under ORS chapter 316 (or if the taxpayer
43 is a corporation, under ORS chapter 317 or 318) shall be allowed in an amount equal to 50 percent
44 of reforestation project costs actually paid or incurred to reforest underproductive Oregon
45 forestlands. Such costs include, but are not limited to, any fees established by the State Forester

1 under ORS 315.106 (4), site preparation, tree planting and other silviculture treatments considered
2 necessary by the State Forester to establish commercial, hardwood or softwood stands on appropri-
3 ate sites. Subject to subsection (5) of this section:

4 (a) One-half of the credit shall be taken in the tax year for which the State Forester, after
5 physical inspection of the forestland, issues a preliminary certificate under ORS 315.106 certifying
6 that the land qualifies as underproductive Oregon forestland and that the reforestation project
7 undertaken meets the requirements of this section and the specifications established by the State
8 Forester and the costs appear to be reasonable; and

9 (b) One-half of the credit shall be taken in the tax year for which the State Forester, after fur-
10 ther physical inspection of the land and project, certifies that the new forest is established in ac-
11 cordance with the specifications of the State Forester.

12 (2) No credit shall be allowed under either subsection (1)(a) or (b) of this section unless written
13 certification containing the following statements accompanies the claim for the credit or is other-
14 wise filed with the Department of Revenue:

15 (a) A preliminary certificate issued by the State Forester under ORS 315.106 that the land and
16 project meet the preliminary specifications established by the State Forester or that the new forest
17 is established, whichever is applicable at the time.

18 (b) A statement by the landowner or person in possession of the land that the land within the
19 project area will be used for the primary purpose of growing and harvesting trees of an acceptable
20 species.

21 (c) A statement that the landowner or person in possession of the land is aware that mainte-
22 nance practices, including release, may be needed to insure that a new forest is established and will
23 remain established.

24 (3) For purposes of this section, reforestation project costs shall not include:

25 (a) Costs paid or incurred to reforest any forestland that has been commercially logged to the
26 extent that reforestation is required under the Oregon Forest Practices Act, except costs paid or
27 incurred to reforest forestland following a hardwood harvest, conducted for the purposes of con-
28 verting underproductive forestlands, as determined by administrative rule.

29 (b) That portion of costs or expenses paid through a federal or state cost share, financial as-
30 sistance or other incentive program.

31 (c) Those costs paid or incurred to grow Christmas trees, ornamental trees, shrubs or plants,
32 or those costs paid or incurred to grow hardwood timber described under ORS 321.267 (3) or 321.824
33 (3).

34 (d) Any costs paid or incurred to purchase or otherwise acquire the land.

35 (e) The cost of purchase or other acquisition of tools and equipment with a useful life of more
36 than one year.

37 (4) To qualify for the credit:

38 (a) The project must be completed to specifications approved by the State Forester.

39 (b) The taxpayer's portion of the project costs must be \$500 or more.

40 (c) The taxpayer must be a private individual, corporation, group, Indian tribe or other native
41 group, association or other nonpublic legal entity owning, purchasing under recorded contract of
42 sale or leasing at least five acres of Oregon commercial forestland.

43 (d) Prior to December 31, [2022] **2013**, the taxpayer must file with the State Forester a written
44 request for preliminary certification under ORS 315.106.

45 (5) Any tax credit otherwise allowable under this section which is not used by the taxpayer in

1 a particular year may be carried forward and offset against the taxpayer's tax liability for the next
 2 succeeding tax year. Any credit remaining unused in such next succeeding tax year may be carried
 3 forward and used in the second succeeding tax year, and likewise, any credit not used in that second
 4 succeeding tax year may be carried forward and used in the third succeeding tax year, but may not
 5 be carried forward for any tax year thereafter. In all cases the taxpayer must be the person who
 6 made the investment into the project.

7 (6) The credit provided by this section shall be in addition to and not in lieu of any depreciation
 8 or amortization deduction to which the taxpayer otherwise may be entitled with respect to the
 9 reforestation project and the credit shall not affect the computation of basis for the property.

10 (7) In compliance with ORS chapter 183, the Department of Revenue and the State Forestry
 11 Department may adopt rules consistent with law for carrying out the provisions of this section.

12 (8) As used in this section, "underproductive Oregon forestlands" means Oregon commercial
 13 forestlands not meeting the minimum stocking standards of the Oregon Forest Practices Act.

14 (9) If, for any reason other than those specified in subsection (10) of this section, a new forest
 15 is not established by the last day of the second taxable year following the taxable year for which
 16 the preliminary certificate was issued, the State Forester shall so report to the Department of Re-
 17 venue. The report filed under this subsection shall be the basis for the department to recover any
 18 credit granted under subsection (1)(a) of this section. If, however, the new forest is not established
 19 within the time required by this subsection on account of the reasons specified in subsection (10)
 20 of this section, any credit allowed under subsections (1)(a) and (5) of this section shall not be re-
 21 covered but no further credit as provided under subsections (1)(b) and (5) of this section shall be
 22 allowed.

23 (10) Subject to requalification under this section in the manner applicable for the original claim,
 24 including obtaining a new preliminary certificate, a taxpayer may claim an additional credit or
 25 credits for reestablishing a new planting in the event that the new forest is destroyed by a natural
 26 disaster or is not established for reasons beyond the control of the taxpayer, if the measures taken
 27 in completing the original or earlier project would normally have resulted in establishing the mini-
 28 mum number of trees per acre anticipated by the project.

29 (11) Any owner affected by a determination, regarding the reforestation tax credit made by:

30 (a) The State Forester, except for a denial of a request for a preliminary certificate due to the
 31 annual reforestation credit cost limitation calculated under ORS 315.108, may appeal that determi-
 32 nation in the manner provided for in ORS 526.475 (1).

33 (b) The Department of Revenue, may appeal that determination in the manner provided for in
 34 ORS 526.475 (2).

35 **SECTION 25.** Section 5, chapter 605, Oregon Laws 1987, as amended by section 4, chapter 887,
 36 Oregon Laws 1989, section 28, chapter 746, Oregon Laws 1995, and section 3, chapter 359, Oregon
 37 Laws 2001, is amended to read:

38 **Sec. 5.** No tax credit shall be allowed under ORS 315.104 based upon reforestation project costs
 39 if the preliminary certificate is not issued on or before December 31, [2011] 2013.

40 **SECTION 26. A credit may not be claimed under ORS 317.122 for tax years beginning on**
 41 **or after January 1, 2014.**

42 **SECTION 27. Except as provided in ORS 315.254 (3), a credit may not be claimed under**
 43 **ORS 315.254 for tax years beginning on or after January 1, 2016.**

44 **SECTION 28.** Section 5, chapter 695, Oregon Laws 1985, as amended by section 1, chapter 989,
 45 Oregon Laws 1989, section 2, chapter 373, Oregon Laws 1997, and section 1, chapter 318, Oregon

1 Laws 2003, is amended to read:

2 **Sec. 5.** (1) Except as provided in subsection (2) of this section, ORS 317.151 and 318.106 apply
3 to contributions made in tax years beginning prior to January 1, [2010] **2016**.

4 (2) With respect to the credit allowed for a contribution as described in ORS 317.151 (3)(b) if a
5 written contract or other written agreement to make the contribution is entered into prior to Jan-
6 uary 1, [2010] **2016**, and the moneys contributed after that date are contributed pursuant to the
7 contract or agreement, then notwithstanding subsection (1) of this section, the credit allowed as
8 described in ORS 317.151 (3)(b) shall be allowed for those contributions made pursuant to the written
9 contract or other written agreement entered into prior to January 1, [2010] **2016**.

10 **SECTION 29. Except as provided in ORS 315.237 (6), a credit may not be claimed under**
11 **ORS 315.237 for tax years beginning on or after January 1, 2016.**

12 **SECTION 30.** Section 5, chapter 880, Oregon Laws 2007, is amended to read:

13 **Sec. 5.** ORS 315.266 is repealed on January 1, [2014] **2016**.

14 **SECTION 31. A credit may not be claimed under ORS 315.613 for tax years beginning on**
15 **or after January 1, 2016.**

16 **SECTION 32.** Section 66, chapter 832, Oregon Laws 2005, is amended to read:

17 **Sec. 66.** [Section 63 of this 2005 Act] **ORS 315.622** applies to tax credit certifications issued by
18 the Office of Rural Health on or after January 1, 2006, and before January 1, [2011] **2016**.

19 **SECTION 33. A credit may not be claimed under ORS 315.521 for tax years beginning on**
20 **or after January 1, 2016.**

21 **SECTION 34. Except as provided in ORS 315.164 (8), a credit may not be claimed under**
22 **ORS 315.164 for tax years beginning on or after January 1, 2016.**

23 **SECTION 35. A credit may not be claimed under ORS 317.147 for tax years beginning on**
24 **or after January 1, 2016.**

25 **SECTION 36. The Housing and Community Services Department may not issue a certif-**
26 **icate under ORS 317.097 on or after January 1, 2016.**

27 **SECTION 36a.** ORS 317.097, as amended by section 6, chapter 29, Oregon Laws 2008, and sec-
28 tion 15, chapter 45, Oregon Laws 2008, is amended to read:

29 317.097. (1) A credit against taxes otherwise due under this chapter for the taxable year shall
30 be allowed to a lending institution in an amount equal to the difference between:

31 (a) The amount of finance charge charged by the lending institution during the taxable year at
32 an annual rate less than the market rate for a loan that is made before January 1, [2020] **2016**, that
33 complies with the requirements of this section; and

34 (b) The amount of finance charge that would have been charged during the taxable year by the
35 lending institution for the loan for housing construction, development, acquisition or rehabilitation
36 measured at the annual rate charged by the lending institution for nonsubsidized loans made under
37 like terms and conditions at the time the loan for housing construction, development, acquisition or
38 rehabilitation is made.

39 (2) The maximum amount of credit for the difference between the amounts described in sub-
40 section (1)(a) and (b) of this section may not exceed four percent of the average unpaid balance of
41 the loan during the tax year for which the credit is claimed.

42 (3) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
43 particular year may be carried forward and offset against the taxpayer's tax liability for the next
44 succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried
45 forward and used in the second succeeding tax year, and likewise, any credit not used in that second

1 succeeding tax year may be carried forward and used in the third succeeding tax year, and any
2 credit not used in that third succeeding tax year may be carried forward and used in the fourth
3 succeeding tax year, and any credit not used in that fourth succeeding tax year may be carried
4 forward and used in the fifth succeeding tax year, but may not be carried forward for any tax year
5 thereafter.

6 (4) In order to be eligible for the tax credit allowed under subsection (1) of this section, the loan
7 shall be:

8 (a) Made to an individual or individuals who own the dwelling, participate in an owner-occupied
9 community rehabilitation program and are certified by the local government or its designated agent
10 as having an income level at the time the loan is made of less than 80 percent of the area median
11 income;

12 (b)(A) Made to a qualified borrower;

13 (B) Used to finance construction, development, acquisition or rehabilitation of housing; and

14 (C) Accompanied by a written certification by the Housing and Community Services Department
15 that the:

16 (i) Housing created by the loan is or will be occupied by households earning less than 80 percent
17 of the area median income; and

18 (ii) Full amount of savings from the reduced interest rate provided by the lending institution is
19 or will be passed on to the tenants in the form of reduced housing payments, regardless of other
20 subsidies provided to the housing project;

21 (c)(A) Made to a qualified borrower;

22 (B) Used to finance construction, development, acquisition, or acquisition and rehabilitation of
23 housing consisting of a manufactured dwelling park; and

24 (C) Accompanied by a written certification by the Housing and Community Services Department
25 that the housing will continue to be operated as a manufactured dwelling park during the period for
26 which the tax credit is allowed; or

27 (d)(A) Made to a qualified borrower;

28 (B) Used to finance acquisition, or acquisition and rehabilitation, of housing consisting of a
29 preservation project; and

30 (C) Accompanied by a written certification by the Housing and Community Services Department
31 that the housing preserved by the loan:

32 (i) Is or will be occupied by households earning less than 80 percent of the area median income;
33 and

34 (ii) Has a rent assistance contract with the United States Department of Housing and Urban
35 Development or the United States Department of Agriculture that will be maintained by the quali-
36 fied borrower.

37 (5) A loan made to refinance a loan that meets the criteria stated in subsection (4) of this sec-
38 tion shall be treated the same as a loan that meets the criteria stated in subsection (4) of this sec-
39 tion.

40 (6) In order to be eligible for the tax credit allowed under subsection (1) of this section, the loan
41 also shall be accompanied by a written certification by the Housing and Community Services De-
42 partment that:

43 (a) Specifies the period, as determined by the Housing and Community Services Department,
44 during which the loan is eligible for the tax credit under subsection (1) of this section; and

45 (b) States that the loan is within the limitation imposed by subsection (7) of this section.

1 (7)(a) The Housing and Community Services Department may certify loans that are eligible un-
2 der subsection (4) of this section if the total credits attributable to all loans eligible for credits un-
3 der subsection (1) of this section and then outstanding do not exceed \$17 million for any fiscal year.
4 In making loan certifications, the Housing and Community Services Department shall attempt to
5 distribute the tax credits statewide, but shall concentrate the tax credits in those areas of the state
6 that are determined by the State Housing Council to have the greatest need for affordable housing.

7 (b) The certification under subsection (6) of this section shall state the period for which the
8 credit will be allowed, which may not exceed 20 years.

9 (8) The applicant's receipt of a credit under section 42 of the Internal Revenue Code does not
10 affect the credit allowed under this section.

11 (9) A loan meeting the requirements of subsections (4) and (6) of this section may be sold to a
12 qualified assignee with or without the lending institution's retaining servicing of the loan so long
13 as a designated lending institution maintains records annually verified by a loan servicer that es-
14 tablish the amount of tax credit earned by the taxpayer throughout each year of eligibility.

15 (10) As used in this section:

16 (a) "Annual rate" means the yearly interest rate specified on the note, and not the annual per-
17 centage rate, if any, disclosed to the applicant to comply with the federal Truth in Lending Act.

18 (b) "Finance charge" means the total of all interest, loan fees, interest on any loan fees financed
19 by the lending institution, and other charges related to the cost of obtaining credit.

20 (c) "Lending institution" means any insured institution, as that term is defined in ORS 706.008,
21 any mortgage banking company that maintains an office in this state or any community development
22 corporation that is organized under the Oregon Nonprofit Corporation Law.

23 (d) "Manufactured dwelling park" has the meaning given that term in ORS 446.003.

24 (e) "Nonprofit corporation" means a corporation that is exempt from income taxes under section
25 501(c)(3) or (4) of the Internal Revenue Code as amended and in effect on December 31, 2007.

26 (f) "Preservation project" means housing that was previously developed as affordable housing
27 with a contract for rent assistance from the United States Department of Housing and Urban De-
28 velopment or the United States Department of Agriculture and that is being acquired by a spon-
29 soring entity.

30 (g) "Qualified assignee" means any investor participating in the secondary market for real estate
31 loans.

32 (h) "Qualified borrower" means any borrower that is a sponsoring entity that has a controlling
33 interest in the real property that is financed by the loan described in subsection (4) of this section.
34 Such a controlling interest includes, but is not limited to, a controlling interest in the general
35 partner of a limited partnership that owns the real property.

36 (i) "Sponsoring entity" means a nonprofit corporation, nonprofit cooperative, state governmental
37 entity, local unit of government as defined in ORS 466.706, housing authority or any other person,
38 provided that the person has agreed to restrictive covenants imposed by a nonprofit corporation,
39 nonprofit cooperative, state governmental entity, local unit of government or housing authority.

40 (11) Notwithstanding any other provision of law, a lending institution that is a community de-
41 velopment corporation organized under the Oregon Nonprofit Corporation Law may transfer any
42 part or all of any tax credit arising under subsection (1) of this section to one or more other lending
43 institutions that are stockholders or members of the community development corporation or that
44 otherwise participate through the community development corporation in the making of one or more
45 loans that generate the tax credit under subsection (1) of this section.

1 (12) The lending institution shall file an annual statement with the Housing and Community
2 Services Department, specifying that it has conformed with all requirements imposed by law to
3 qualify for this tax credit.

4 (13) The Housing and Community Services Department and the Department of Revenue may
5 adopt rules to carry out the provisions of this section.

6 **SECTION 37.** Section 83, chapter 843, Oregon Laws 2007, is amended to read:

7 **Sec. 83.** Section 82, **chapter 843, Oregon Laws 2007**, [of this 2007 Act] applies to individuals
8 whose household ends tenancy at a manufactured dwelling park during a tax year that begins on
9 or after January 1, 2007, and before January 1, [2013] **2016**.

10 **SECTION 38.** Section 18, chapter 906, Oregon Laws 2007, is amended to read:

11 **Sec. 18.** Section 17, **chapter 906, Oregon Laws 2007**, [of this 2007 Act] applies to individuals
12 whose household ends tenancy at a manufactured dwelling park during a tax year that begins on
13 or after January 1, 2007, and before January 1, [2013] **2016**.

14 **SECTION 39.** **A credit may not be claimed under ORS 316.102 for tax years beginning on**
15 **or after January 1, 2016.**

16 **SECTION 40.** Section 19, chapter 954, Oregon Laws 2001, is amended to read:

17 **Sec. 19.** [Section 18 of this 2001 Act] **ORS 315.675** applies to tax years beginning on or after
18 January 1, 2002, and before January 1, [2013] **2016**.

19 **SECTION 41.** **A credit may not be claimed under ORS 316.157 for tax years beginning on**
20 **or after January 1, 2016.**

21 **SECTION 42.** **A credit may not be claimed under ORS 316.148 for tax years beginning on**
22 **or after January 1, 2018.**

23 **SECTION 43.** **A credit may not be claimed under ORS 315.610 for tax years beginning on**
24 **or after January 1, 2018.**

25 **SECTION 44.** **A credit may not be claimed under ORS 316.099 for tax years beginning on**
26 **or after January 1, 2018.**

27 **SECTION 45.** **A credit may not be claimed under ORS 316.087 for tax years beginning on**
28 **or after January 1, 2018.**

29 **SECTION 46.** **A credit may not be claimed under ORS 316.079 for tax years beginning on**
30 **or after January 1, 2018.**

31 **SECTION 47.** **A credit may not be claimed under ORS 316.758 for tax years beginning on**
32 **or after January 1, 2018.**

33 **SECTION 48.** **A credit may not be claimed under ORS 316.765 for tax years beginning on**
34 **or after January 1, 2018.**

35 **SECTION 49.** **Except as provided in ORS 316.078 (5), a credit may not be claimed under**
36 **ORS 316.078 for tax years beginning on or after January 1, 2018.**

37 **SECTION 50.** Section 3, chapter 868, Oregon Laws 2007, is amended to read:

38 **Sec. 3.** ORS 315.262 is repealed on January 2, [2014] **2018**.

39 **SECTION 51.** Section 10, chapter 682, Oregon Laws 1987, as amended by section 3, chapter 929,
40 Oregon Laws 1991, section 1, chapter 674, Oregon Laws 2001, and section 1, chapter 485, Oregon
41 Laws 2005, is amended to read:

42 **Sec. 10.** **Except as provided in ORS 315.204 (12), ORS 315.204** applies to tax years beginning
43 on or after January 1, 1988, and before January 1, [2017] **2018**.

44 **SECTION 52.** Section 13, chapter 674, Oregon Laws 2001, as amended by section 9, chapter 473,
45 Oregon Laws 2003, and section 1, chapter 880, Oregon Laws 2007, is amended to read:

1 **Sec. 13.** ORS 315.213 applies to tax years beginning on or after January 1, 2002, and before
2 January 1, [2013] **2018.**

3 **SECTION 53.** ORS 315.271 is amended to read:

4 315.271. (1) A credit against taxes otherwise due under ORS chapter 316, 317 or 318 shall be
5 allowed for donations to a fiduciary organization for distribution to individual development accounts
6 established under ORS 458.685. The credit shall equal the lesser of \$75,000 or 75 percent of the do-
7 nation amount. To qualify for a credit under this section, donations to a fiduciary organization must
8 be made prior to January 1, [2012] **2018.**

9 (2) If a credit allowed under this section is claimed, the amount upon which the credit is based
10 that is allowed or allowable as a deduction from federal taxable income under section 170 of the
11 Internal Revenue Code shall be added to federal taxable income in determining Oregon taxable in-
12 come. As used in this subsection, the amount upon which a credit is based is the allowed credit di-
13 vided by 75 percent.

14 (3) The allowable tax credit that may be used in any one tax year shall not exceed the tax li-
15 ability of the taxpayer.

16 (4) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
17 particular year may be carried forward and offset against the taxpayer's tax liability for the next
18 succeeding tax year. Any tax credit remaining unused in the next succeeding tax year may be car-
19 ried forward and used in the second succeeding tax year. Any tax credit not used in the second
20 succeeding tax year may be carried forward and used in the third succeeding tax year, but may not
21 be carried forward for any tax year thereafter.

22 **SECTION 54.** Section 9, chapter 765, Oregon Laws 2007, is amended to read:

23 **Sec. 9.** ORS 315.271 and 458.690 are repealed on January 2, [2016] **2018.**

24 **SECTION 55. A credit may not be claimed under ORS 315.272 for tax years beginning on**
25 **or after January 1, 2018.**

26 **SECTION 56. ORS 734.835 does not apply to tax years beginning on or after January 1,**
27 **2018.**

28 **SECTION 57.** Section 8, chapter 843, Oregon Laws 2007, is amended to read:

29 **Sec. 8.** [Sections 5 and 6 of this 2007 Act] **ORS 315.628 and 315.631** apply to tax years beginning
30 on or after January 1, 2008, and before January 1, [2012] **2018.**

31 **SECTION 58.** Section 9, chapter 843, Oregon Laws 2007, is amended to read:

32 **Sec. 9.** [Section 3 of this 2007 Act] **ORS 315.624** and the amendments to ORS 316.680 by section
33 **2, chapter 843, Oregon Laws 2007,** [of this 2007 Act] apply to tax years beginning on or after
34 January 1, 2008, and before January 1, [2012] **2018.**

35 **SECTION 59. Any tax credit enacted by the Legislative Assembly on or after the effective**
36 **date of this 2009 Act shall apply for a maximum of six tax years beginning with the initial**
37 **tax year for which the credit is applicable, unless the Legislative Assembly expressly provides**
38 **for another period of applicability.**

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