

# House Bill 2923

Sponsored by Representative WHISNANT; Representatives HUFFMAN, STIEGLER, Senator TELFER (at the request of Deschutes County)

## 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**.

Establishes tax credit for installation, replacement or retrofitting of septic tank.  
Applies to tax years beginning on or after January 1, 2010, and before January 1, 2024.

## A BILL FOR AN ACT

1  
2 Relating to septic tank tax credit.

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

4 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS chapter 315.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **"Alternative treatment technology" means a septic system that incorporates a means**  
7 **of introducing air and oxygen into sewage to provide aerobic biochemical stabilization during**  
8 **a detention period.**

9 (b) **"Public health hazard" has the meaning given that term in ORS 454.605.**

10 (c) **"Septic tank" has the meaning given that term in ORS 454.605.**

11 (2) **A credit against the taxes otherwise due under ORS chapter 316 or, if the taxpayer**  
12 **is a corporation, under ORS chapter 317 or 318 is allowed to a taxpayer for expenses related**  
13 **to a qualified project that replaces, installs or retrofits a septic tank on a residential site.**  
14 **The taxpayer must be the owner of the site served by the septic tank. To qualify for the**  
15 **credit allowed under this section, a project must:**

16 (a) **Replace a system that the Department of Environmental Quality has determined to**  
17 **be a public health hazard;**

18 (b) **Install a system that employs alternative treatment technology;**

19 (c) **Replace or retrofit a septic system with alternative treatment technology where state**  
20 **law or local ordinance requires a replacement or retrofitting; or**

21 (d) **Connect to a sewer system.**

22 (3) **Prior to claiming the credit allowed under this section, a taxpayer must receive cer-**  
23 **tification as provided under section 3 of this 2009 Act.**

24 (4) **The amount of a tax credit available to a taxpayer for a tax year under this section**  
25 **shall equal the lesser of:**

26 (a) **The expenses for the project; or**

27 (b) **\$9,700 per residential site.**

28 (5) **The credit allowed under this section may not exceed the tax liability of the taxpayer**  
29 **for the tax year in which the credit is claimed.**

30 (6) **Any tax credit otherwise allowable under this section that is not used by the taxpayer**  
31 **in a particular tax year may be carried forward and offset against the taxpayer's tax liability**

**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 for the next succeeding tax year. Any credit remaining unused in the next succeeding tax  
2 year may be carried forward and used in the second succeeding tax year, and likewise any  
3 credit not used in that second succeeding tax year may be carried forward and used in the  
4 third succeeding tax year, and any credit not used in that third succeeding tax year may be  
5 carried forward and used in the fourth succeeding tax year, but may not be carried forward  
6 for any tax year thereafter.

7 **SECTION 3.** (1) Any taxpayer may apply to the Department of Environmental Quality for  
8 certification of the installation, retrofitting or replacement of a septic tank to allow the  
9 taxpayer to claim the credit allowed under section 2 of this 2009 Act.

10 (2) The application shall be made in writing in a form prescribed by the department and  
11 shall contain information requested by the department.

12 **SECTION 4.** Sections 2 and 3 of this 2009 Act apply to tax years beginning on or after  
13 January 1, 2010, and before January 1, 2024.

14