

House Bill 3086

Sponsored by Representative C EDWARDS; Representatives BOONE, CLEM, FREEMAN, STIEGLER

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**.

Provides credit against income taxes for repairs to vehicle engines due to damage caused by ethanol.

Applies to tax years beginning on or after January 1, 2010.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credits for repairs to vehicle engines due to damage caused by ethanol; and pre-
3 scribing an effective date.

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

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

6 **SECTION 2. (1) A credit against the taxes otherwise due under ORS chapter 316 or, if the**
7 **taxpayer is a corporation, under ORS chapter 317 or 318 shall be allowed to a taxpayer that**
8 **incurs expenses for vehicle engine repair required due to damage caused by use of gasoline**
9 **containing at least 10 percent ethanol by volume.**

10 **(2) Each taxpayer that elects to receive a credit allowed under subsection (1) of this**
11 **section must submit an application to the State Department of Agriculture for each tax year**
12 **the taxpayer wishes to receive the credit. The application must include a signed certification**
13 **from a mechanic that states that the repair was made necessary by damage that resulted**
14 **from the use in the engine of gasoline containing at least 10 percent ethanol by volume and**
15 **must include an itemization of the cost of the repair. The department by rule shall prescribe**
16 **the form of the application and the information required to be given on the application and**
17 **shall establish qualifications for certifying mechanics.**

18 **(3) The amount of the credit allowed under subsection (1) of this section shall be the**
19 **lesser of:**

20 **(a) The certified cost of the repair; or**

21 **(b) \$1,000 per vehicle.**

22 **(4) A nonresident shall be allowed the credit under this section in the proportion provided**
23 **under ORS 316.117.**

24 **(5) If a change in the tax year of a taxpayer occurs as described in ORS 314.085, or if the**
25 **Department of Revenue terminates the taxpayer's tax year under ORS 314.440, the credit**
26 **allowed under this section shall be prorated or computed in a manner consistent with ORS**
27 **314.085.**

28 **(6) If a change in the status of a taxpayer from resident to nonresident or from nonres-**
29 **ident to resident occurs, the credit allowed under this section shall be determined in a**
30 **manner consistent with ORS 316.117.**

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 3.** Section 2 of this 2009 Act applies to tax years beginning on or after January
2 1, 2010.

3 **SECTION 4.** This 2009 Act takes effect on the 91st day after the date on which the reg-
4 ular session of the Seventy-fifth Legislative Assembly adjourns sine die.

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