

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Sixth Oregon Legislative
Assembly
2011 Regular Session
Legislative Revenue Office

Bill Number: HB 2936
Revenue Area: Income Taxes
Economist: Chris Allanach
Date: 3/22/2011

Measure Description:

Creates three tax credits: (1) a tax credit of \$10.00 per green ton for the transportation of woody biomass from forest management operations to biofuel or bioenergy producers; (2) a tax credit for biomass electrical generation based on kilowatt hours of electricity produced – the credit is 2.1 cents per kilowatt hour if generated from a closed-loop generating operation and one cent per kilowatt hour if otherwise; and (3) a tax credit equal to 35 percent of the cost of equipment used to collect or process reclaimed materials for use as bioenergy. Allows the transportation and electrical generation credits to be carried forward four years and the reclaimed materials credit to be carried forward two years. Applies to tax years beginning on or after January 1, 2011.

Revenue Impact (in \$Millions):

This bill would have a revenue loss depending on the supply and demand markets for biomass and the extent to which each of the credits is utilized. Further analysis will be done when the bill is in the Joint Committee on Tax Credits.

Impact Explanation:

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is
(to be completed by the House Committee on Agriculture and Natural Resources)