

REVENUE: Revenue statement issued  
FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Tax Credits by Prior Reference
<b>Vote:</b>	8 - 0 - 0
<b>Yeas:</b>	Boone, Cowan, Esquivel, Johnson, Schaufler, Sprenger, Clem, Jenson
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Beth Herzog, Administrator
<b>Meeting Dates:</b>	2/25, 3/30

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**WHAT THE MEASURE DOES:** Expands definition of “farmworker” to include any person, who for an agreed rate of pay, performs labor for another in the production of agriculture or aquacultural crops; handles agriculture or aquaculture crops or products in unprocessed stage; processes agriculture or aquacultural crops or products; or any person whom Housing and Community Services Department defines by rule for purposes of farmworker housing construction tax credit. Expands definition of “contributor” to include person who has purchased or received via transfer a farmworker housing contributor credit. Establishes farmworker housing includes housing limited to farmworkers who are retired or disabled. Maintains definition of farm worker, farmworker housing and relative for accessory dwellings for farmworkers located within exclusive farm use zones. Makes exception to provision barring credits for dwellings occupied by relatives of owner in case of manufactured dwelling park nonprofit cooperatives. Allows tax-exempt entities owning or operating farmworker housing to transfer one or more credits prior to completion of housing project. Stipulates after farmworker housing project is completed credits can only be transferred once. Applies to tax years beginning on or after January 1, 2008, and to applications for farmworker housing credit approval filed on or after effective date of Act. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Expanded definitions will make it easier to access other types of funds
- Allowing retired or disabled farmworkers to live in farmworker housing would make state program consistent with federal laws

**EFFECT OF COMMITTEE AMENDMENT:** Maintains definition of farm worker, farmworker housing and relative for accessory dwellings for farmworkers located within EFU. Maintains that on EFU land farmworker means an individual who for a rate of pay performs labor for a person in production of farm products, planting, cultivating or harvesting of seasonal crops, or forestation or reforestation. Maintains that on EFU land farmworker housing is limited to farmworkers and their immediate family and not relative of owner or operator.

**BACKGROUND:** A credit against corporate or personal income taxes is allowed for construction, rehabilitation, or acquisition of farmworker housing in Oregon. The credit is 50 percent of the eligible costs for housing projects. A maximum of \$7.25 million in eligible costs can be approved for credit eligibility in a single calendar year by the Housing and Community Services Department (HCSD). A credit is disallowed if a taxpayer does not get certification from HCSD or if the housing units for which the credit is being claimed is not occupied by farmworkers.

The maximum amount of credit claimed by a taxpayer for any one tax year cannot exceed 20 percent of the total allowable credit. Nonresident and part-year resident individual taxpayers multiply their credit by their Oregon percentage. Credits exceeding the taxpayer’s tax liability may be carried forward for up to nine years. The housing must meet certain qualifications for the taxpayer to be eligible for the credit. Rehabilitation projects must restore housing to a condition that meets building code requirements. Farmworker housing must also be registered, if required, as a farmworker camp with the Department of Consumer and Business Services.

4/5/2011 2:04:00 PM

*This summary has not been adopted or officially endorsed by action of the committee.*