

REVENUE: Revenue statement issued
FISCAL: No fiscal impact

Action: Without Recommendation as to Passage and Be Referred to the Committee on Tax Credits by
Prior Reference
Vote: 7 - 1 - 0
Yeas: Boone, Cowan, Esquivel, Johnson, Schaufler, Sprenger, Clem
Nays: Jenson
Exc.: 0
Prepared By: Beth Herzog, Administrator
Meeting Dates: 2/18, 3/23

WHAT THE MEASURE DOES: Adjusts sunset of tax credit for riparian land removed from farm production from January 1, 2012, to January 1, 2018.

ISSUES DISCUSSED:

- Tax credit is equal to 75 percent of value of crops foregone each year crops are not raised
- Purpose of tax credit is to encourage people to voluntarily remove riparian land from farm production
- For 2008 tax year fewer than 10 people saved average of \$485 in Oregon tax using this credit

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: A tax credit is allowed against personal or corporate income taxes for riparian farmland that is voluntarily taken out of agricultural production for conservation purposes. The statute defines riparian land as land which was formerly in agricultural production and within 35 feet of the bank of a natural watercourse. The tax credit is equal to 75 percent of the value of the crops foregone each year crops are not raised on the eligible land. Share-rent agreements, as defined in the statute, may also qualify for this credit.