

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Without Recommendation as to Passage, but with Amendments and Be Printed Engrossed and Be Referred to the Committee on Tax Credits
Vote:	7 - 0 - 1
Yeas:	Boone, Cowan, Esquivel, Johnson, Schaufler, Clem, Jenson
Nays:	0
Exc.:	Sprenger
Prepared By:	Beth Herzog, Administrator
Meeting Dates:	2/18, 3/28, 4/13

WHAT THE MEASURE DOES: Establishes \$4.00 per green ton tax credit for transportation of woody biomass from forest management operations to biofuel producer. Requires taxpayer seeking transportation credit submit scale tickets documenting net green tons delivered to producer as well as other information including statement of authorization from owner of woody biomass and number and type of employment positions created or maintained due to transportation of woody biomass. Stipulates Department of Energy (DOE) fee for certification shall equal greater of \$0.01 per scale ticket submitted for tax year or \$50. Extends sunset date for entire biomass credit from January 1, 2012 to January 1, 2019. Applies to tax years beginning on or after January 1, 2011. Creates 15 member Task Force on Biomass Facility Siting (Task Force) and dissolves Task Force when Legislative Assembly convenes for 2013 session. Requires Task Force to identify locations of biomass in state, amount of biomass available in various regions, types of facilities that may be developed using biomass as fuel and potential sites for biomass facilities. Requires Legislative Administrator to provide staff support to Task Force and pay expenses incurred for performing functions of task force for non-legislative members.

ISSUES DISCUSSED:

- Public policy purpose of tax credit
- Current federal and state tax credits that apply to biomass industry
- Potential for biomass industry to create jobs
- Impact of harvesting biomass on forest health

EFFECT OF COMMITTEE AMENDMENT: Establishes \$4.00 per green ton tax credit for transportation of woody biomass from forest operations to biofuel producer. Removes references to bioenergy. Removes requirement that DOE increase amount certified to reflect multiple roles of members. Requires taxpayer seeking transportation credit submit scale and other information. Stipulates fee DOE can charge for certification. Extends sunset date for entire biomass credit from January 1, 2012 to January 1, 2019. Applies to tax years beginning on or after January 1, 2011. Creates 15 member Task Force and dissolves the Task Force when 2013 Legislative Assembly convenes. Requires Legislative Administrator to provide staff support to Task Force and pay expenses for non-legislative members. Removes establishment of new tax credits for purchase of equipment to collect or process reclaimed materials for use as bioenergy and biomass electrical generation. Removes requirement that DOE conduct study of biomass facility sites.

BACKGROUND: Currently a tax credit is allowed against corporation or personal income taxes to producers and collectors of biomass produced and used in Oregon as biofuel or to produce biofuels. Types of biomass include: woody (forest-based) biomass, agricultural crops, manure, yard debris, used oil and grease. The credit is computed as a product of the quantity of biomass produced and credit rate. The credit rates vary by the type of biomass. The credit can be carried forward for four years.

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