

HB 3174-1
(LC 3579)
3/17/11 (CMT/ps)

**PROPOSED AMENDMENTS TO
HOUSE BILL 3174**

- 1 In line 2 of the printed bill, after “amending” insert “ORS 317.152 and”.
2 After line 9, insert:
3 **“SECTION 2.** ORS 317.152 is amended to read:
4 “317.152. (1) A credit against taxes otherwise due under this chapter shall
5 be allowed to eligible taxpayers for increases in qualified research expenses
6 and basic research payments. The credit shall be determined in accordance
7 with section 41 of the Internal Revenue Code, except as follows:
8 “(a) The applicable percentage specified in section 41(a) of the Internal
9 Revenue Code shall be five percent.
10 “(b) ‘Qualified research’ and ‘basic research’ shall consist only of research
11 conducted in Oregon.
12 “(c) The following do not apply to the credit allowable under this section:
13 “(A) Section 41(c)(4) of the Internal Revenue Code (relating to the alter-
14 native incremental credit).
15 “(B) Section 41(h) of the Internal Revenue Code (relating to termination
16 of the federal credit).
17 “(2) For purposes of this section, ‘eligible taxpayer’ means a corporation,
18 other than a corporation excluded under Internal Revenue Code section
19 41(e)(7)(E).
20 “(3) The Income Tax Regulations as prescribed by the Secretary of the
21 Treasury under authority of section 41 of the Internal Revenue Code apply
22 for purposes of this section, except as modified by this section or as provided

1 in rules adopted by the Department of Revenue.

2 “(4) The maximum credit under this section may not exceed \$2 million.

3 “(5) A deduction may not be taken for the portion of expenses or
4 payments, otherwise allowable as a deduction, that is equal to the
5 amount of the credit claimed under this section.

6 “[5] (6) Any tax credit that is otherwise allowable under this section and
7 that is not used by the taxpayer in that year may be carried forward and
8 offset against the taxpayer’s tax liability for the next succeeding tax year.
9 Any credit remaining unused in such next succeeding tax year may be car-
10 ried forward and used in the second succeeding tax year, and likewise any
11 credit not used in that second succeeding tax year may be carried forward
12 and used in the third succeeding tax year, and any credit not used in that
13 third succeeding tax year may be carried forward and used in the fourth
14 succeeding tax year, and any credit not used in that fourth succeeding tax
15 year may be carried forward and used in the fifth succeeding tax year, but
16 may not be carried forward for any tax year thereafter.”.

17 In line 10, delete “2” and insert “3”.

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