

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Revenue by prior reference
Vote:	8 - 0 - 0
Yeas:	Bentz, Boone, Keny-Guyer, Krieger, Thompson, Witt, Bailey, Gilliam
Nays:	0
Exc.:	0
Prepared By:	Beth Patrino, Administrator
Meeting Dates:	2/2, 2/7

WHAT THE MEASURE DOES: Modifies provisions governing renewable energy tax credits, including: use of term “award,” confirmation that partial credit and partial appropriation are allowed, required information on number and type of jobs directly connected to grant award, credit auctions, definition of “transportation project,” authorization for Oregon Department of Energy (ODOE) to adjust credit amount to manage cap, application by third party installers to reserve credits on behalf of owners, and modification of transferee language for consistency with other statutes. Authorizes ODOE director to reduce amount of allowable credit for subsequent processings of oilseeds. Limits total amount of biomass tax credits allowed to \$20 million per biennium. If applications exceed cap, authorizes director to allocate issuance of certificates among applicants and proportionally reduce amount of allowed credit. Adds biomass and energy tax credits to law requiring state agency administering tax credit to submit a report to Oregon Department of Administrative Services. Takes effect on 91st day following date on which 2012 regular session of 67th Legislative Assembly adjourns sine die.

ISSUES DISCUSSED:

- Need for technical changes to some tax credit statutes following adoption of House Bill 3672 (2011)
- Addition of energy tax credits to transparency law adopted in 2011
- Importance of continuing to receive jobs data

EFFECT OF COMMITTEE AMENDMENT: Deletes requirement for ODOE to submit report to legislative committees on implementation of legislative changes to energy tax credit programs under chapter 730, Oregon Law 2011.

BACKGROUND: House Bill 3672A (2011) replaced the pre-existing business energy tax credit (commonly known as the “BETC”) with three separate credits: a conservation credit, a renewables energy contribution credit, and a transportation credit. House Bill 4079A would make changes to the energy tax credit programs, as well as the biomass tax credit.

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Sixth Oregon Legislative
Assembly
2012 Regular Session
Legislative Revenue Office

Bill Number: HB 4079A
Revenue Area: Income Taxes
Economist: Chris Allanach
Date: 2/8/2012

Measure Description: Makes a number of technical clarifications to several energy related tax credits. The affected tax credits are for renewable energy, transportation projects, conservation projects, renewable energy manufacturing, biomass, and residential energy. Includes some policy decisions such as the credit cap on biomass tax credits. Adds these credits to the law requiring state agency administering tax credits to submit a report to Oregon Department of Administrative Services.

Revenue Impact: The revenue impact is likely to be minimal, if there is an impact, given that the changes are generally of a technical nature. The new cap proposed for the biomass credit program is not currently expected to be reached for several years. Further analysis will be conducted when the bill is in the House Committee on Revenue.

Impact Explanation:

Creates, Extends, or Expands Tax Expenditure: Yes No

Further Analysis Required

Prepared by: John Terpening
Reviewed by: Michelle Deister
Date: 2-8-2012

Measure Description:

Requires State Department of Energy to submit report on implementation of legislative changes to energy tax credit programs to legislative committees related to energy policy and to tax and revenue policy.

Government Unit(s) Affected:

Department of Energy

Summary of Expenditure Impact: See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

This fiscal impact statement is for the purpose of transmitting the measure from the House Energy, Environment and Water Committee to the House Revenue Committee. A more complete fiscal analysis on the bill will be prepared as the measure is considered in the House Revenue Committee.

Further Analysis Required