

C-Engrossed
House Bill 4005

Ordered by the House February 27
Including House Amendments dated February 10 and February 23 and
February 27

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Agriculture and Natural Resources)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes credit against income taxes in compensation for loss of livestock due to wolf depredation. Requires State Department of Fish and Wildlife to issue written certification for tax credits and prohibits department from issuing certifications for more than [~~\$15,000~~] **\$37,500** in tax credits in any tax year. Provides that certifications are to be issued in order received. Disallows tax credit if State Fish and Wildlife Commission has removed wolf from list of endangered species. Provides that, if tax credit exceeds taxes for tax year, amount of excess is refunded to taxpayer.

Applies to tax years beginning on or after January 1, 2012, and before January 1, 2019.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a tax credit for livestock killed by predators; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2012 Act is added to and made a part of ORS chapter 315.**

5 **SECTION 2. (1) As used in this section, "livestock" has the meaning given that term in**
6 **ORS 610.150.**

7 **(2) A credit against taxes imposed under ORS chapter 316 (or, if the taxpayer is a cor-**
8 **poration, under ORS chapter 317 or 318) shall be allowed for the current market value of any**
9 **livestock that belongs to the taxpayer and that is killed during the tax year by a wolf.**

10 **(3) In order to qualify for the credit allowed under this section, the taxpayer must obtain**
11 **written certification from the State Department of Fish and Wildlife as provided in sub-**
12 **section (4) of this section.**

13 **(4)(a) The State Department of Fish and Wildlife shall issue written certification to tax-**
14 **payers that are eligible to claim the credit allowed under this section. Before issuing a cer-**
15 **tification under this subsection, the department must possess evidence that the loss to a**
16 **taxpayer's livestock is due to wolf depredation. The evidence must include a finding by the**
17 **department or by a peace officer, as defined in ORS 161.015, that wolf depredation was the**
18 **probable cause of the loss.**

19 **(b) The department may not issue certifications for more than \$37,500 in tax credits for**
20 **any tax year. The department shall issue certifications to taxpayers in the order in which**
21 **completed applications for certification are received by the department.**

22 **(5) A credit allowed under this section shall be reduced by any amount that a taxpayer**
23 **has already received as compensation for the killed livestock, including compensation pur-**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 suant to ORS 610.150.

2 (6) A taxpayer may not claim a credit under this section for:

3 (a) Any tax year that ends after the date on which the State Fish and Wildlife Commis-
4 sion has, by rule, removed the wolf from the list of endangered species established pursuant
5 to ORS 496.172 (2); or

6 (b) A loss to livestock killed after June 30, 2018.

7 (7) If the amount allowable as a credit under this section, when added to the sum of the
8 amounts allowable as payment of tax under ORS 316.187 (withholding), ORS 316.583 (esti-
9 mated tax), other tax prepayment amounts and other refundable credit amounts, exceeds the
10 taxes imposed by ORS chapters 314 and 316 for the tax year (reduced by any nonrefundable
11 credits allowable for purposes of ORS chapter 316 for the tax year), the amount of the excess
12 shall be refunded to the taxpayer as provided in ORS 316.502.

13 (8) The credit shall be claimed on a form prescribed by the Department of Revenue that
14 contains the information required by the department.

15 (9) Any tax credit otherwise allowable under this section that is not used by the taxpayer
16 in a particular tax year may be carried forward and offset against the taxpayer's tax liability
17 for the next succeeding tax year. Any credit remaining unused in the next succeeding tax
18 year may be carried forward and used in the second succeeding tax year, and likewise any
19 credit not used in that second succeeding tax year may be carried forward and used in the
20 third succeeding tax year, but may not be carried forward for any tax year thereafter.

21 (10) In the case of a credit allowed under this section:

22 (a) A nonresident shall be allowed the credit in the proportion provided in ORS 316.117.

23 (b) If a change in the status of the taxpayer from resident to nonresident or from non-
24 resident to resident occurs, the credit shall be determined in a manner consistent with ORS
25 316.117.

26 (c) If a change in the taxable year of the taxpayer occurs as described in ORS 314.085,
27 or if the department terminates the taxpayer's taxable year under ORS 314.440, the credit
28 shall be prorated or computed in a manner consistent with ORS 314.085.

29 **SECTION 3.** Section 2 of this 2012 Act applies to tax years beginning on or after January
30 1, 2012, and before January 1, 2019.

31 **SECTION 4.** This 2012 Act takes effect on the 91st day after the date on which the 2012
32 regular session of the Seventy-sixth Legislative Assembly adjourns sine die.
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