

# PRELIMINARY

77TH OREGON LEGISLATIVE ASSEMBLY  
2013 REGULAR SESSION  
STAFF MEASURE SUMMARY  
HOUSE REVENUE COMMITTEE

MEASURE: HB 2894A  
CARRIER:

REVENUE:  
FISCAL:

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Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Chris Allanach, Economist

Meeting Dates: 4/24

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**WHAT THE BILL DOES:** Increases the cap on certified facility costs for conservation projects that are eligible for the informational filing system (rather than the certification process) from \$20,000 to \$50,000. Modifies the transportation project tax credit from a five-year tax credit to a one-year tax credit. Adds the acquisition of alternative fuel vehicle fleets to the definition of transportation projects. Applies to tax years beginning on or after January 1, 2014 except for the definition change in transportation projects, which applies to tax years beginning on or after January 1, 2015.

## ISSUES DISCUSSED:

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## EFFECT OF COMMITTEE AMENDMENTS:

**BACKGROUND:** The conservation and transportation tax credit were created by the Legislature in 2011 as part of the Business Energy Tax Credit (BETC) restructuring. Qualifying energy conservation projects are eligible for a credit equal to 35 percent of certified projected costs; the credit is taken over five years with 10 percent claimed in the first two years and five percent over the remaining three years. For projects that cost less than \$20,000 are not subject to the certification process and may be claimed in one year. A cap of \$28 million conservation credits may be certified each biennium. The transportation credits are of a similar nature and consist of either transit projects or alternative fuel vehicle infrastructure projects. The former are scheduled to be phased out by 2015.

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