

House Bill 2658

Sponsored by Representative FREDERICK (Presession filed.)

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 **as introduced**.

Provides credit against income taxes for taxpayer creating jobs for certain removal and remedial actions. Applies to tax years beginning on or after January 1, 2013.

Requires Department of Environmental Quality to establish grant and loan program for certain removal and remedial actions. Establishes Industrial Sites Cleanup Fund. Continuously appropriates moneys in fund to department. Specifies uses of moneys. Appropriates moneys from General Fund to department for grant and loan program.

A BILL FOR AN ACT

1
2 Relating to incentive programs for cleanup of hazardous substances; creating new provisions;
3 amending ORS 314.752 and 318.031; and appropriating money.

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

5 **SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS chapter 315.**

6 **SECTION 2. (1) A credit in the amount of \$1,000 against the taxes otherwise due under**
7 **ORS chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317 or 318 shall be**
8 **allowed to a taxpayer who:**

9 (a) **Creates 25 or more jobs during a removal or remedial action under ORS 465.200 to**
10 **465.545 and 465.900; or**

11 (b) **Increases the number of jobs by 30 percent over a three-year period during a removal**
12 **or remedial action under ORS 465.200 to 465.545 and 465.900.**

13 (2) **A nonresident shall be allowed the credit under this section in the proportion provided**
14 **under ORS 316.117.**

15 (3) **If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or**
16 **if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the**
17 **credit allowed under this section shall be prorated or computed in a manner consistent with**
18 **ORS 314.085.**

19 (4) **If a change in the status of a taxpayer from resident to nonresident or from nonres-**
20 **ident to resident occurs, the credit allowed under this section shall be determined in a**
21 **manner consistent with ORS 316.117.**

22 (5) **A credit may not be allowed under this section unless the Department of Environ-**
23 **mental Quality has certified the taxpayer's eligibility to claim the credit. The Department**
24 **of Environmental Quality, in consultation with the Department of Revenue, shall determine**
25 **by rule procedures for certification and shall maintain records of certifications in its offices.**
26 **If requested by the Department of Revenue, the taxpayer or the Department of Environ-**
27 **mental Quality shall file proof of the tax credit certification with the Department of Re-**
28 **venue.**

29 **SECTION 3. Section 2 of this 2013 Act applies to tax years beginning on or after January**

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 1, 2013.

2 **SECTION 4.** (1) The Department of Environmental Quality shall establish a grant and
 3 loan program to provide grants and loans to provide up to 75 percent of the cost of an envi-
 4 ronmental study and cleanup plan that is related to a removal or remedial action under ORS
 5 465.200 to 465.545 and 465.900.

6 (2) The department shall:

7 (a) Design the grants and loans specified in subsection (1) of this section to protect public
 8 health, safety and the environment; and

9 (b) Award the grants and loans based on a demonstration of financial hardship.

10 (3) The Environmental Quality Commission may adopt rules to carry out the provisions
 11 of this section, including but not limited to rules that establish criteria for designing and
 12 awarding grants and loans under this section.

13 **SECTION 5.** (1) The Industrial Sites Cleanup Fund is established in the State Treasury,
 14 separate and distinct from the General Fund. Interest earned by the Industrial Sites Cleanup
 15 Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the
 16 Department of Environmental Quality to support the grant and loan program established
 17 under section 4 of this 2013 Act.

18 (2) The department may accept grants, donations, contributions or gifts from any source
 19 for deposit in the Industrial Sites Cleanup Fund.

20 (3) The Industrial Sites Cleanup Fund shall consist of:

21 (a) Moneys accepted by the department pursuant to subsection (2) of this section.

22 (b) Any other moneys received by or appropriated to the department to support the grant
 23 and loan program established under section 4 of this 2013 Act.

24 **SECTION 6.** ORS 314.752 is amended to read:

25 314.752. (1) Except as provided in ORS 314.740 (5)(b), the tax credits allowed or allowable to a
 26 C corporation for purposes of ORS chapter 317 or 318 shall not be allowed to an S corporation. The
 27 business tax credits allowed or allowable for purposes of ORS chapter 316 shall be allowed or are
 28 allowable to the shareholders of the S corporation.

29 (2) In determining the tax imposed under ORS chapter 316, as provided under ORS 314.734, on
 30 income of the shareholder of an S corporation, there shall be taken into account the shareholder's
 31 pro rata share of business tax credit (or item thereof) that would be allowed to the corporation (but
 32 for subsection (1) of this section) or recapture or recovery thereof. The credit (or item thereof), re-
 33 capture or recovery shall be passed through to shareholders in pro rata shares as determined in the
 34 manner prescribed under section 1377(a) of the Internal Revenue Code.

35 (3) The character of any item included in a shareholder's pro rata share under subsection (2)
 36 of this section shall be determined as if such item were realized directly from the source from which
 37 realized by the corporation, or incurred in the same manner as incurred by the corporation.

38 (4) If the shareholder is a nonresident and there is a requirement applicable for the business tax
 39 credit that in the case of a nonresident the credit be allowed in the proportion provided in ORS
 40 316.117, then that provision shall apply to the nonresident shareholder.

41 (5) As used in this section, "business tax credit" means a tax credit granted to personal income
 42 taxpayers to encourage certain investment, to create employment, economic opportunity or incentive
 43 or for charitable, educational, scientific, literary or public purposes that is listed under this sub-
 44 section as a business tax credit or is designated as a business tax credit by law or by the Depart-
 45 ment of Revenue by rule and includes but is not limited to the following credits: ORS 285C.309

1 (tribal taxes on reservation enterprise zones and reservation partnership zones), ORS 315.104 (fore-
 2 station and reforestation), ORS 315.138 (fish screening, by-pass devices, fishways), ORS 315.141
 3 (biomass production for biofuel), ORS 315.156 (crop gleaning), ORS 315.164 and 315.169 (farmworker
 4 housing), ORS 315.204 (dependent care assistance), ORS 315.208 (dependent care facilities), ORS
 5 315.213 (contributions for child care), ORS 315.304 (pollution control facility), ORS 315.326
 6 (renewable energy development contributions), ORS 315.331 (energy conservation projects), ORS
 7 315.336 (transportation projects), ORS 315.341 (renewable energy resource equipment manufacturing
 8 facilities), ORS 315.354 and 469B.151 (energy conservation facilities), ORS 315.507 (electronic com-
 9 merce), ORS 315.533 (low income community jobs initiative) and ORS 317.115 (fueling stations nec-
 10 essary to operate an alternative fuel vehicle) **and section 2 of this 2013 Act (hazardous**
 11 **substances remediation).**

12 **SECTION 7.** ORS 318.031 is amended to read:

13 318.031. It being the intention of the Legislative Assembly that this chapter and ORS chapter
 14 317 shall be administered as uniformly as possible (allowance being made for the difference in im-
 15 position of the taxes), ORS 305.140 and 305.150, ORS chapter 314 and the following sections are in-
 16 corporated into and made a part of this chapter: ORS 285C.309, 315.104, 315.141, 315.156, 315.204,
 17 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.507 and 315.533 **and section 2 of this 2013**
 18 **Act** (all only to the extent applicable to a corporation) and ORS chapter 317.

19 **SECTION 8.** **There is appropriated to the Department of Environmental Quality, for the**
 20 **biennium beginning July 1, 2013, out of the General Fund, the amount of \$_____ for the**
 21 **purpose of carrying out the provisions of section 4 of this 2013 Act.**

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