

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2505**

1 On page 1 of the printed A-engrossed bill, line 2, after “expenditures;”
2 delete the rest of the line and insert “creating new provisions; amending ORS
3 173.025, 284.367, 284.368, 314.752, 315.050, 315.141, 315.163, 315.164, 315.167,
4 315.169, 315.172, 315.266, 315.336, 315.514, 315.521, 315.613, 315.616, 315.622,
5 316.102, 316.502, 317.147, 317.152, 317.154, 455.380, 456.508, 456.510, 456.585 and
6 566.340 and section 19, chapter 954, Oregon Laws 2001, section 66, chapter
7 832, Oregon Laws 2005, section 6, chapter 880, Oregon Laws 2007, sections
8 2b, 7b and 18, chapter 906, Oregon Laws 2007, sections 5, 20, 24, 25, 27, 28,
9 34 and 36, chapter 913, Oregon Laws 2009, and section 29, chapter 377,
10 Oregon Laws 2013 (Enrolled House Bill 2492); repealing section 5, chapter
11 880, Oregon Laws 2007, and section 28, chapter 377, Oregon Laws 2013 (En-
12 rolled House Bill 2492); and prescribing an effective date.”.

13 Delete lines 4 through 25 and delete page 2 and insert:

14 **“SECTION 1.** Section 6, chapter 880, Oregon Laws 2007, is amended to
15 read:

16 **“Sec. 6.** *[The repeal of ORS 315.266 by section 5 of this 2007 Act applies*
17 *to tax years beginning on or after January 1, 2014.]* **ORS 315.266 applies to**
18 **tax years beginning before January 1, 2020.**

19 **“SECTION 2.** **Section 5, chapter 880, Oregon Laws 2007, and section**
20 **28, chapter 377, Oregon Laws 2013 (Enrolled House Bill 2492), are re-**
21 **pealed.**

22 **“SECTION 3.** Section 29, chapter 377, Oregon Laws 2013 (Enrolled House

1 Bill 2492), is amended to read:

2 “**Sec. 29.** (1) Except as provided in subsections (2) and (3) of this section,
3 [section 28 of this 2013 Act and] the amendments to statutes by sections 1 to
4 27 [of this 2013 Act], **chapter 377, Oregon Laws 2013 (Enrolled House Bill**
5 **2492)**, apply to transactions or activities occurring on or after January 1,
6 2013, in tax years beginning on or after January 1, 2013.

7 “(2) The effective and applicable dates, and the exceptions, special rules
8 and coordination with the Internal Revenue Code, as amended, relative to
9 those dates, contained in the Middle Class Tax Relief and Job Creation Act
10 of 2012 (P.L. 112-96), the American Taxpayer Relief Act of 2012 (P.L. 112-240)
11 and other federal law amending the Internal Revenue Code and enacted be-
12 fore January 3, 2013, apply for Oregon personal income and corporate excise
13 and income tax purposes, to the extent they can be made applicable, in the
14 same manner as they are applied under the Internal Revenue Code and re-
15 lated federal law.

16 “(3)(a) If a deficiency is assessed against any taxpayer for a tax year be-
17 ginning before January 1, 2013, and the deficiency or any portion thereof is
18 attributable to any retroactive treatment under the amendments to ORS
19 305.230, 305.494, 305.690, 307.130, 307.147, 308A.450, 310.140, 310.630, 310.800,
20 314.011, 315.004, 316.012, 317.010, 317.097 and 348.841 by sections 11 to 25 [of
21 this 2013 Act], **chapter 377, Oregon Laws 2013 (Enrolled House Bill**
22 **2492)**, then any interest or penalty assessed under ORS chapter 305, 314, 315,
23 316, 317 or 318 with respect to the deficiency or portion thereof shall be
24 canceled.

25 “(b) If a refund is due any taxpayer for a tax year beginning before Jan-
26 uary 1, 2013, and the refund or any portion thereof is due the taxpayer on
27 account of any retroactive treatment under the amendments to ORS 305.230,
28 305.494, 305.690, 307.130, 307.147, 308A.450, 310.140, 310.630, 310.800, 314.011,
29 315.004, 316.012, 317.010, 317.097 and 348.841 by sections 11 to 25 [of this 2013
30 Act], **chapter 377, Oregon Laws 2013 (Enrolled House Bill 2492)**, then

1 notwithstanding ORS 305.270 or 314.415 or other law, the refund or portion
2 thereof shall be paid without interest.

3 “(c) Any changes required because of the amendments to ORS 305.230,
4 305.494, 305.690, 307.130, 307.147, 308A.450, 310.140, 310.630, 310.800, 314.011,
5 315.004, 316.012, 317.010, 317.097 and 348.841 by sections 11 to 25 [*of this 2013*
6 *Act*], **chapter 377, Oregon Laws 2013 (Enrolled House Bill 2492)**, for a tax
7 year beginning before January 1, 2013, shall be made by filing an amended
8 return within the time prescribed by law.

9 “(d) If a taxpayer fails to file an amended return under paragraph (c) of
10 this subsection, the Department of Revenue shall make any changes under
11 paragraph (c) of this subsection on the return to which the changes relate
12 within the period specified for issuing a notice of deficiency or claiming a
13 refund as otherwise provided by law with respect to that return, or within
14 one year after a return for a tax year beginning on or after January 1, 2013,
15 and before January 1, 2014, is filed, whichever period expires later.

16 **“SECTION 4.** ORS 315.266 is amended to read:

17 “315.266. (1) In addition to any other credit available for purposes of ORS
18 chapter 316, an eligible resident individual shall be allowed a credit against
19 the tax otherwise due under ORS chapter 316 for the tax year in an amount
20 equal to [*six*] **eight** percent of the earned income credit allowable to the
21 individual for the same tax year under section 32 of the Internal Revenue
22 Code.

23 “(2) An eligible nonresident individual shall be allowed the credit com-
24 puted in the same manner and subject to the same limitations as the credit
25 allowed a resident by subsection (1) of this section. However, the credit shall
26 be prorated using the proportion provided in ORS 316.117.

27 “(3) If a change in the taxable year of a taxpayer occurs as described in
28 ORS 314.085, or if the Department of Revenue terminates the taxpayer’s
29 taxable year under ORS 314.440, the credit allowed by this section shall be
30 prorated or computed in a manner consistent with ORS 314.085.

1 “(4) If a change in the status of a taxpayer from resident to nonresident
2 or from nonresident to resident occurs, the credit allowed by this section
3 shall be determined in a manner consistent with ORS 316.117.

4 “(5) If the amount allowable as a credit under this section, when added
5 to the sum of the amounts allowable as payment of tax under ORS 316.187
6 or 316.583, other tax prepayment amounts and other refundable credit
7 amounts, exceeds the taxes imposed by ORS chapters 314 and 316 for the tax
8 year after application of any nonrefundable credits allowable for purposes
9 of ORS chapter 316 for the tax year, the amount of the excess shall be re-
10 funded to the taxpayer as provided in ORS 316.502.

11 “(6) The Department of Revenue may adopt rules for purposes of this
12 section, including but not limited to rules relating to proof of eligibility and
13 the furnishing of information regarding the federal earned income credit
14 claimed by the taxpayer for the tax year.

15 “(7) Refunds attributable to the earned income credit allowed under this
16 section shall not bear interest.

17 **“SECTION 5. The amendments to ORS 315.266 by section 4 of this**
18 **2013 Act apply to tax years beginning on or after January 1, 2014, and**
19 **before January 1, 2020.**

20 **“SECTION 6.** ORS 316.102 is amended to read:

21 “316.102. (1) A credit against taxes shall be allowed for voluntary contri-
22 butions in money made in the taxable year:

23 “(a) To a major political party qualified under ORS 248.006 or to a com-
24 mittee thereof or to a minor political party qualified under ORS 248.008 or
25 to a committee thereof.

26 “(b) To or for the use of a person who must be a candidate for nomination
27 or election to a federal, state or local elective office in any primary election,
28 general election or special election in this state. The person must, in the
29 calendar year in which the contribution is made, either be listed on a pri-
30 mary election, general election or special election ballot in this state or have

1 filed in this state one of the following:

2 “(A) A prospective petition;

3 “(B) A declaration of candidacy;

4 “(C) A certificate of nomination; or

5 “(D) A designation of a principal campaign committee.

6 “(c) To a political committee, as defined in ORS 260.005, if the political
7 committee has certified the name of its treasurer to the filing officer, as de-
8 fined in ORS 260.005, in the manner provided in ORS chapter 260.

9 “(2) The credit allowed by subsection (1) of this section shall be the lesser
10 of:

11 “(a) The total contribution, [*not to exceed \$50 on a separate return; the*
12 *total contribution,*] not to exceed \$100 on a joint return **or \$50 on any other**
13 **type of return;** or

14 “(b) The tax liability of the taxpayer.

15 “**(3) A taxpayer may not claim the credit allowed under this section**
16 **if the taxpayer has federal adjusted gross income in excess of \$200,000**
17 **on a joint return or \$100,000 on any other type of return.**

18 “[~~(3)~~] (4) The claim for tax credit shall be substantiated by submission,
19 with the tax return, of official receipts of the candidate, agent, political
20 party or committee thereof or political committee to whom contribution was
21 made.

22 “**SECTION 6a. The amendments to ORS 316.102 by section 6 of this**
23 **2013 Act apply to tax years beginning on or after January 1, 2014.**

24 “**SECTION 7.** Section 34, chapter 913, Oregon Laws 2009, is amended to
25 read:

26 “**Sec. 34.** A credit may not be claimed under ORS 316.102 for tax years
27 beginning on or after January 1, [~~2014~~] **2020.**

28 “**SECTION 8.** Section 19, chapter 954, Oregon Laws 2001, as amended by
29 section 35, chapter 913, Oregon Laws 2009, is amended to read:

30 “**Sec. 19.** ORS 315.675 applies to tax years beginning on or after January

1 1, 2002, and before January 1, [2014] **2020**.

2 **“SECTION 9.** Section 36, chapter 913, Oregon Laws 2009, is amended to
3 read:

4 **“Sec. 36.** A credit may not be claimed under ORS 316.157 for tax years
5 beginning on or after January 1, [2014] **2020**.

6 **“SECTION 10.** Section 25, chapter 913, Oregon Laws 2009, is amended to
7 read:

8 **“Sec. 25.** (1) Except as provided in subsection (2) of this section, a credit
9 may not be claimed under ORS 315.613 for tax years beginning on or after
10 January 1, [2014] **2016**.

11 **“(2)** A taxpayer who meets the eligibility requirements in ORS 315.613 for
12 the tax year beginning on or after January 1, [2013] **2015**, and before January
13 1, [2014] **2016**, shall be allowed the credit under ORS 315.613 for any tax year:

14 **“(a)** That begins on or before January 1, [2023] **2026**; and

15 **“(b)** For which the taxpayer meets the eligibility requirements of ORS
16 315.613.

17 **“SECTION 11.** ORS 315.613 is amended to read:

18 **“315.613.** (1) A resident or nonresident individual certified as eligible un-
19 der ORS 442.563, licensed under ORS chapter 677, who is engaged in the
20 practice of medicine, and who [*has a rural practice that amounts to 60 percent*
21 *of the individual’s practice,*] **is engaged for at least 20 hours per week,**
22 **averaged over the month, during the tax year in a rural practice,** shall
23 be allowed an annual credit against taxes otherwise due under [*this*
24 *chapter*] **ORS chapter 316** in the sum of \$5,000 during the time in which the
25 individual retains such practice and membership if the individual is actively
26 practicing in and is a member of the medical staff of one of the following
27 hospitals:

28 **“(a)** A type A hospital designated as such by the Office of Rural Health;

29 **“(b)** A type B hospital designated as such by the Office of Rural Health
30 if the hospital is:

1 “(A) Not within the boundaries of a metropolitan statistical area;
2 “(B) Located 30 or more highway miles from the closest hospital within
3 the major population center in a metropolitan statistical area; or
4 “(C) Located in a county with a population of less than 75,000;
5 “(c) A type C rural hospital, if the Office of Rural Health makes the
6 findings required by ORS 315.619; or
7 “(d) A rural critical access hospital.

8 **“(2) In order to claim the credit allowed under this section, the in-
9 individual must remain willing during the tax year to serve patients with
10 Medicare coverage and patients receiving medical assistance in at least
11 the same proportion to the individual’s total number of patients as the
12 Medicare and medical assistance populations represent of the total
13 number of persons determined by the Office of Rural Health to be in
14 need of care in the county served by the practice, not to exceed 20
15 percent Medicare patients or 15 percent medical assistance patients.**

16 “[(2)] **(3)** A nonresident **individual** shall be allowed the credit under this
17 section in the proportion provided in ORS 316.117. If a change in the status
18 of a taxpayer from resident to nonresident or from nonresident to resident
19 occurs, the credit allowed by this section shall be determined in a manner
20 consistent with ORS 316.117.

21 “[(3)] **(4)** For purposes of this section, an ‘individual’s practice’ shall be
22 determined on the basis of actual time spent in practice each week in hours
23 or days, whichever is considered by the Office of Rural Health to be more
24 appropriate. In the case of a shareholder of a corporation or a member of a
25 partnership, only the time of the individual shareholder or partner shall be
26 considered and the full amount of the credit shall be allowed to each share-
27 holder or partner who qualifies in an individual capacity.

28 “[(4)] **(5)** As used in this section:

29 “(a) ‘Type A hospital,’ ‘type B hospital’ and ‘type C hospital’ have the
30 meaning for those terms provided in ORS 442.470.

1 “(b) ‘Rural critical access hospital’ means a facility that meets the crite-
2 ria set forth in 42 U.S.C. 1395i-4 (c)(2)(B) and that has been designated a
3 critical access hospital by the Office of Rural Health and the Oregon Health
4 Authority.

5 **“SECTION 12.** ORS 315.616 is amended to read:

6 “315.616. A resident or nonresident individual who is certified as eligible
7 under ORS 442.561, 442.562, 442.563 or 442.564, and is licensed as a physician
8 or podiatric physician and surgeon under ORS chapter 677, licensed as a
9 physician assistant under ORS chapter 677, licensed as a nurse practitioner
10 under ORS chapter 678, licensed as a certified registered nurse anesthetist
11 under ORS chapter 678, licensed as a dentist under ORS chapter 679 or li-
12 censed as an optometrist under ORS 683.010 to 683.340 is entitled to the tax
13 credit described in ORS 315.613 even if not a member of the hospital medical
14 staff if the Office of Rural Health certifies that the individual:

15 “[*(1) Has a rural practice that amounts to 60 percent of the individual’s*
16 *practice; and*]

17 **“(1) Is engaged for at least 20 hours per week, averaged over the**
18 **month, during the tax year in a rural practice; and**

19 **“(2)(a) If a physician or a physician assistant, can cause a patient to be**
20 **admitted to the hospital;**

21 **“(b) If a certified registered nurse anesthetist, is employed by or has a**
22 **contractual relationship with one of the hospitals described in ORS 315.613**
23 **(1); or**

24 **“(c) If an optometrist, has consulting privileges with a hospital listed in**
25 **ORS 315.613 (1). This paragraph does not apply to an optometrist who qual-**
26 **ifies as a ‘frontier rural practitioner,’ as defined by the Office of Rural**
27 **Health.**

28 **“SECTION 13. The amendments to ORS 315.613 and 315.616 by**
29 **sections 11 and 12 of this 2013 Act apply to tax years beginning on or**
30 **after January 1, 2014.**

1 **SECTION 14.** ORS 315.622 is amended to read:

2 “315.622. (1) A resident or nonresident individual who is certified as eli-
3 gible under ORS 442.550 to 442.570 and who is licensed as an emergency
4 medical services provider under ORS chapter 682 shall be allowed a credit
5 against the taxes that are otherwise due under ORS chapter 316 if the Office
6 of Rural Health certifies that the individual provides volunteer emergency
7 medical services in a rural area that comprise at least 20 percent of the total
8 emergency medical services provided by the individual in the tax year.

9 “(2) The amount of the credit shall equal [~~\$250~~] **the lesser of the tax**
10 **liability of the taxpayer or \$500.**

11 “(3) A nonresident shall be allowed the credit under this section in the
12 proportion provided in ORS 316.117. If a change in the status of a taxpayer
13 from resident to nonresident or from nonresident to resident occurs, the
14 credit allowed by this section shall be determined in a manner consistent
15 with ORS 316.117.

16 “(4) As used in this section, ‘rural area’ means a geographic area that is
17 located at least 25 miles from any city with a population of 30,000 or more.

18 **SECTION 15.** The amendments to ORS 315.622 by section 14 of this
19 **2013 Act apply to tax years beginning on or after January 1, 2014.**

20 **SECTION 16.** Section 66, chapter 832, Oregon Laws 2005, as amended
21 by section 26, chapter 913, Oregon Laws 2009, is amended to read:

22 “**Sec. 66.** ORS 315.622 applies to tax credit certifications issued by the
23 Office of Rural Health on or after January 1, 2006, and before January 1,
24 [~~2014~~] **2020.**

25 **SECTION 17.** Section 24, chapter 913, Oregon Laws 2009, is amended to
26 read:

27 “**Sec. 24.** Except as provided in ORS 315.237 (6), a credit may not be
28 claimed under ORS 315.237 for tax years beginning on or after January 1,
29 [~~2014~~] **2020.**

30 **SECTION 18.** Section 28, chapter 913, Oregon Laws 2009, is amended to

1 read:

2 “**Sec. 28.** Except as provided in ORS 315.164 (8), a credit may not be
3 claimed under ORS 315.164 for tax years beginning on or after January 1,
4 [2014] **2020.**

5 “**SECTION 19.** ORS 315.163 is amended to read:

6 “315.163. As used in ORS 315.163 to 315.172:

7 “(1)(a) ‘Acquisition costs’ means the cost of acquiring buildings, struc-
8 tures and improvements that constitute or will constitute [farmworker] **ag-**
9 **riculture workforce** housing.

10 “(b) ‘Acquisition costs’ does not include the cost of acquiring land on
11 which [farmworker] **agriculture workforce** housing is or will be located.

12 “(2) ‘**Agricultural worker**’ means any person who, for an agreed
13 remuneration or rate of pay, performs temporary or permanent labor
14 for another in the:

15 “(a) **Production of agricultural or aquacultural crops or products;**

16 “(b) **Handling of agricultural or aquacultural crops or products in**
17 **an unprocessed stage;**

18 “(c) **Processing of agricultural or aquacultural crops or products;**

19 “(d) **Planting, cultivating or harvesting of seasonal agricultural**
20 **crops; or**

21 “(e) **Forestation or reforestation of lands, including but not limited**
22 **to the planting, transplanting, tubing, precommercial thinning and**
23 **thinning of trees and seedlings, the clearing, piling and disposal of**
24 **brush and slash and other related activities.**

25 “(3) ‘**Agriculture workforce housing**’ means housing:

26 “(a) **Limited to occupancy by agricultural workers, including agri-**
27 **cultural workers who are retired or disabled, and their immediate**
28 **families; and**

29 “(b) **No dwelling unit of which is occupied by a relative of the owner**
30 **or operator of the agriculture workforce housing, except in the case**

1 **of a manufactured dwelling in a manufactured dwelling park nonprofit**
2 **cooperative as defined in ORS 62.803.**

3 **“(4) ‘Agriculture workforce housing project’ means the acquisition,**
4 **construction, installation or rehabilitation of agriculture workforce**
5 **housing.**

6 “[2)] (5) ‘Condition of habitability’ means a condition that is in compli-
7 ance with:

8 “(a) The applicable provisions of the state building code under ORS
9 chapter 455 and the rules adopted thereunder; or

10 “(b) If determined on or before December 31, 1995, sections 12 and 13,
11 chapter 964, Oregon Laws 1989.

12 “[3)] (6) ‘Contributor’ means a person:

13 “(a) That acquired, constructed, manufactured or installed [*farmworker*]
14 **agriculture workforce** housing or contributed money to finance [*a*
15 *farmworker*] **an agriculture workforce** housing project; or

16 “(b) That has purchased or otherwise received via transfer a credit as
17 provided in ORS 315.169 (2).

18 “[4)] (7) ‘Eligible costs’ includes acquisition costs, finance costs, con-
19 struction costs, excavation costs, installation costs and permit costs and ex-
20 cludes land costs.

21 “[5) ‘*Farmworker*’ means any person who, for an agreed remuneration or
22 rate of pay, performs temporary or permanent labor for another in the:]

23 “[*(a) Production of agricultural or aquacultural crops or products;*]

24 “[*(b) Handling of agricultural or aquacultural crops or products in an un-*
25 *processed stage;*]

26 “[*(c) Processing of agricultural or aquacultural crops or products;*]

27 “[*(d) Planting, cultivating or harvesting of seasonal agricultural crops;*
28 *or*]

29 “[*(e) Forestation or reforestation of lands, including but not limited to the*
30 *planting, transplanting, tubing, precommercial thinning and thinning of trees*

1 *and seedlings, the clearing, piling and disposal of brush and slash and other*
2 *related activities.]*

3 “[*(6) ‘Farmworker housing’ means housing:*]

4 “[*(a) Limited to occupancy by farmworkers, including farmworkers who are*
5 *retired or disabled, and their immediate families; and]*

6 “[*(b) No dwelling unit of which is occupied by a relative of the owner or*
7 *operator of the farmworker housing, except in the case of a manufactured*
8 *dwelling in a manufactured dwelling park nonprofit cooperative as that term*
9 *is defined in ORS 62.803.]*

10 “[*(7) ‘Farmworker housing project’ means the acquisition, construction, in-*
11 *stallation or rehabilitation of farmworker housing.]*

12 “(8)(a) ‘Owner’ means a person that owns [*farmworker*] **agriculture**
13 **workforce** housing.

14 “(b) ‘Owner’ does not include a person that only has an interest in the
15 **agriculture workforce** housing as a holder of a security interest.

16 “(9) ‘Rehabilitation’ means to make repairs or improvements to a building
17 that improve its livability and are consistent with applicable building codes.

18 “(10) ‘Relative’ means a brother or sister (whether by the whole or by half
19 blood), spouse, ancestor (whether by law or by blood), or lineal descendant
20 of an individual.

21 “(11) ‘Taxpayer’ includes a nonprofit corporation, a tax-exempt entity or
22 any other person not subject to tax under ORS chapter 316, 317 or 318.

23 “**SECTION 20.** ORS 315.164 is amended to read:

24 “315.164. (1) A taxpayer who is the owner or operator of [*farmworker*]
25 **agriculture workforce** housing is allowed a credit against the taxes other-
26 wise due under ORS chapter 316, if the taxpayer is a resident individual, or
27 against the taxes otherwise due under ORS chapter 317, if the taxpayer is a
28 corporation. The total amount of the credit shall be equal to 50 percent of
29 the eligible costs actually paid or incurred by the taxpayer to complete [*a*
30 *farmworker*] **an agriculture workforce** housing project, to the extent the

1 eligible costs actually paid or incurred by the taxpayer do not exceed the
2 estimate of eligible costs approved by the Housing and Community Services
3 Department under ORS 315.167.

4 “(2) A taxpayer who is otherwise eligible to claim a credit under this
5 section may elect to transfer all or a portion of the credit to a contributor
6 in the manner provided in ORS 315.169.

7 “(3)(a) The credit allowed under this section may be taken for the tax
8 year in which the [*farmworker*] **agriculture workforce** housing project is
9 completed or in any of the nine tax years succeeding the tax year in which
10 the project is completed.

11 “(b) The credit allowed in any one tax year may not exceed 20 percent
12 of the amount determined under subsection (1) of this section.

13 “(4)(a) To claim a credit under this section, a taxpayer must show in each
14 year following the completion of [*a farmworker*] **an agriculture workforce**
15 housing project that the housing continues to be operated as [*farmworker*]
16 **agriculture workforce** housing.

17 “(b) A taxpayer need not make the showing required in paragraph (a) of
18 this subsection if the Housing and Community Services Department waives
19 the requirement after the taxpayer has successfully met the requirement for
20 the first five years after completion of the **agriculture workforce** housing
21 project.

22 “(c) The Housing and Community Services Department shall determine
23 by rule the factors necessary to grant a waiver. Such factors may include a
24 documented decline in a particular area for [*farmworker*] **agriculture**
25 **workforce** housing.

26 “(5) The credit shall apply only to [*a farmworker*] **an agriculture**
27 **workforce** housing project that is located within this state and physically
28 begun on or after January 1, 1990.

29 “(6)(a) A credit may not be allowed under this section unless the taxpayer
30 claiming credit under this section:

1 “(A) Obtains a letter of credit approval from the Housing and Community
2 Services Department pursuant to ORS 315.167; and

3 “(B) Files with the Department of Revenue an annual certification pro-
4 viding that all occupied units for which credit is being claimed are occupied
5 by [*farmworkers, including farmworkers*] **agricultural workers, including**
6 **agricultural workers** who are retired or disabled, and their immediate
7 families.

8 “(b) The certification described under this subsection shall be made on the
9 form and in the time and manner prescribed by the Department of Revenue.

10 “(7) Except as provided under subsection (8) of this section, the credit
11 allowed in any one year may not exceed the tax liability of the taxpayer.

12 “(8) Any tax credit otherwise allowable under this section that is not used
13 by the taxpayer in a particular tax year may be carried forward and offset
14 against the taxpayer’s tax liability for the next succeeding tax year. Any
15 credit remaining unused in the next succeeding tax year may be carried
16 forward and used in the second succeeding tax year, and likewise any credit
17 not used in that second succeeding tax year may be carried forward and used
18 in the third succeeding tax year, and any credit not used in that third suc-
19 ceeding tax year may be carried forward and used in the fourth succeeding
20 tax year, and any credit not used in that fourth succeeding tax year may be
21 carried forward and used in the fifth succeeding tax year, and any credit not
22 used in that fifth succeeding tax year may be carried forward and used in
23 the sixth succeeding tax year, and any credit not used in that sixth suc-
24 ceeding tax year may be carried forward and used in the seventh succeeding
25 tax year, and any credit not used in that seventh succeeding tax year may
26 be carried forward and used in the eighth succeeding tax year, and any credit
27 not used in that eighth succeeding tax year may be carried forward and used
28 in the ninth succeeding tax year, but may not be carried forward for any tax
29 year thereafter.

30 “(9)(a) The credit provided by this section is not in lieu of any depreci-

1 ation or amortization deduction for the **agriculture workforce housing**
2 project to which the taxpayer otherwise may be entitled under ORS chapter
3 316 or 317 for the year.

4 “(b) The taxpayer’s adjusted basis for determining gain or loss may not
5 be further decreased by any tax credits allowed under this section.

6 “(10) For a taxpayer to receive a credit under this section, the
7 [*farmworker*] **agriculture workforce** housing must:

8 “(a) Comply with all occupational safety or health laws, rules, regulations
9 and standards;

10 “(b) If registration is required, be registered as a farmworker camp with
11 the Department of Consumer and Business Services under ORS 658.750;

12 “(c) Upon occupancy and if an indorsement is required, be operated by a
13 person who holds a valid indorsement as a farmworker camp operator under
14 ORS 658.730; and

15 “(d) Continue to be operated as [*farmworker*] **agriculture workforce**
16 housing for a period of at least 10 years after the completion of the
17 [*farmworker*] **agriculture workforce** housing project, unless a waiver has
18 been granted under subsection (4) of this section.

19 “(11)(a) Pursuant to the procedures for a contested case under ORS
20 chapter 183, the Department of Revenue may order the disallowance of the
21 credit allowed under this section if it finds, by order, that:

22 “(A) The credit was obtained by fraud or misrepresentation; or

23 “(B) In the event that an owner or operator claims or claimed the credit:

24 “(i) The taxpayer has failed to continue to substantially comply with the
25 occupational safety or health laws, rules, regulations or standards;

26 “(ii) After occupancy and if registration is required, the [*farmworker*]
27 **agriculture workforce** housing is not registered as a farmworker camp with
28 the Department of Consumer and Business Services under ORS 658.750;

29 “(iii) After occupancy and if an indorsement is required, the
30 [*farmworker*] **agriculture workforce** housing is not operated by a person

1 who holds a valid indorsement as a farmworker camp operator under ORS
2 658.730; or

3 “(iv) The taxpayer has failed to make a showing that the housing con-
4 tinues to be operated as [*farmworker*] **agriculture workforce** housing as
5 required under subsection (4)(a) of this section and the taxpayer has not been
6 granted a waiver by the Housing and Community Services Department under
7 subsection (4)(b) of this section.

8 “(b) If the tax credit is disallowed pursuant to this subsection, notwith-
9 standing ORS 314.410 or other law, all prior tax relief provided to the tax-
10 payer shall be forfeited and the Department of Revenue shall proceed to
11 collect those taxes not paid by the taxpayer as a result of the prior granting
12 of the credit.

13 “(c) If the tax credit is disallowed pursuant to this subsection, the tax-
14 payer shall be denied any further credit provided under this section, in con-
15 nection with the [*farmworker*] **agriculture workforce** housing project, as
16 the case may be, from and after the date that the order of disallowance be-
17 comes final.

18 “(12) In the event that the [*farmworker*] **agriculture workforce** housing
19 is destroyed by fire, flood, natural disaster or act of God before all of the
20 credit has been used, the taxpayer may nevertheless claim the credit as if
21 no destruction had taken place. In the event of fire, if the fire chief of the
22 fire protection district or unit determines that the fire was caused by arson,
23 as defined in ORS 164.315 and 164.325, by the taxpayer or by another at the
24 taxpayer’s direction, then the fire chief shall notify the Department of Rev-
25 enue. Upon conviction of arson, the Department of Revenue shall disallow
26 the credit in accordance with subsection (11) of this section.

27 “(13)(a) A nonresident individual shall be allowed the credit computed in
28 the same manner and subject to the same limitations as the credit allowed
29 a resident by this section. However, the credit shall be prorated using the
30 proportion provided in ORS 316.117.

1 “(b) If a change in the taxable year of a taxpayer occurs as described in
2 ORS 314.085, or if the Department of Revenue terminates the taxpayer’s
3 taxable year under ORS 314.440, the credit allowed by this section shall be
4 prorated or computed in a manner consistent with ORS 314.085.

5 “(c) If a change in the status of a taxpayer from resident to nonresident
6 or from nonresident to resident occurs, the credit allowed by this section
7 shall be determined in a manner consistent with ORS 316.117.

8 “(14) The Department of Revenue may adopt rules for carrying out the
9 provisions of this section.

10 “**SECTION 21.** ORS 315.167 is amended to read:

11 “315.167. (1) Prior to the completion of [*a farmworker*] **an agriculture**
12 **workforce** housing project for which credit under ORS 315.164 will be
13 claimed, an owner or operator of [*farmworker*] **agriculture workforce**
14 housing shall apply to the Housing and Community Services Department for
15 a letter of credit approval.

16 “(2) The application shall be on such form as is prescribed by the Housing
17 and Community Services Department and shall provide:

18 “(a) The name, address and taxpayer identification number of the tax-
19 payer;

20 “(b) The location of the proposed [*farmworker*] **agriculture workforce**
21 housing;

22 “(c) A description of the project identifying the type of housing that is
23 the subject of the **agriculture workforce housing** project;

24 “(d) An estimate of the eligible costs of the **agriculture workforce**
25 **housing** project;

26 “(e) The number of units in the project dedicated to [*farmworker*] **agri-**
27 **culture workforce** housing and the eligible costs associated with the units;

28 “(f) The amount of credit to be claimed by the owner or operator of
29 [*farmworker*] **agriculture workforce** housing, and the amount of credit, if
30 any, to be claimed by a contributor under ORS 315.169; and

1 “(g) Any other information as the Housing and Community Services De-
2 partment may require.

3 “(3) The Housing and Community Services Department may review appli-
4 cations using any reasonable system of prioritizing review established by
5 department rule.

6 “(4) Applications filed in compliance with this section shall be approved
7 by the Housing and Community Services Department to the extent that the
8 total of estimated eligible costs for all approved **agriculture workforce**
9 **housing** projects for the calendar year is equal to or less than \$7.25 million.
10 No application shall be approved if the addition of the estimated eligible
11 costs of the project to the estimated eligible costs for all approved projects
12 for the calendar year would exceed \$7.25 million.

13 “(5) Upon approval of an application, the Housing and Community Ser-
14 vices Department shall prepare a letter of credit approval. The letter shall
15 state the approved amount of estimated eligible costs for the **agriculture**
16 **workforce housing** project and, if applicable, the portion of credit to be
17 claimed by an owner or operator of [*farmworker*] **agriculture workforce**
18 housing under ORS 315.164 and the portion of credit to be claimed by a
19 contributor under ORS 315.169. The letter shall be sent:

20 “(a) To the owner or operator of [*farmworker*] **agriculture workforce**
21 housing, if any credit is to be claimed under ORS 315.164; and

22 “(b) To the contributor, if any credit is to be claimed under ORS 315.169
23 and if the contributor has been identified at the time of approval.

24 “(6) At the conclusion of each calendar year, the Housing and Community
25 Services Department shall send a list of the names, addresses and taxpayer
26 identification numbers of taxpayers to whom a letter of credit approval has
27 been issued under this section during the calendar year, along with approved
28 amounts of estimated eligible costs for each **agriculture workforce housing**
29 project, to the Department of Revenue.

30 “(7) Notwithstanding that a letter of credit approval has been issued to

1 a taxpayer under this section, the Department of Revenue may disallow, in
2 whole or in part, a claim for credit under ORS 315.164 upon the Department
3 of Revenue's determination that under the provisions of ORS 315.164 the
4 taxpayer is not entitled to the credit or is only entitled to a portion of the
5 amount claimed.

6 **"SECTION 22.** ORS 315.169 is amended to read:

7 "315.169. (1) A taxpayer that is a contributor is allowed a credit against
8 the taxes otherwise due under ORS chapter 316, if the taxpayer is a resident
9 individual, or ORS chapter 317, if the taxpayer is a corporation, to the extent
10 the owner or operator of [*farmworker*] **agriculture workforce** housing
11 transferred all or a portion of the credit allowed to the owner or operator
12 under ORS 315.164.

13 "(2) An owner or operator of [*farmworker*] **agriculture workforce** hous-
14 ing may transfer all or a portion of the credit allowed to the owner or op-
15 erator under ORS 315.164 to one or more contributors but the amount
16 transferred may not total more than the total credit the owner or operator
17 may claim.

18 "(3) To receive a credit under this section:

19 "(a) The contributor must obtain a letter of credit approval from the
20 Housing and Community Services Department under ORS 315.167; or

21 "(b) If the owner or operator of [*farmworker*] **agriculture workforce**
22 housing elects to transfer all or a portion of the credit allowed under ORS
23 315.164 after the date that a letter of credit approval has been issued to the
24 owner or operator, the owner or operator and the contributor must jointly
25 file a statement with the Department of Revenue stating the portion of the
26 credit the contributor is allowed to claim and any other information the de-
27 partment may require by rule.

28 "(4) A contributor remains eligible to receive a credit under this section
29 even if the owner or operator of the [*farmworker*] **agriculture workforce**
30 housing becomes ineligible for the credit as a result of:

1 “(a) Failure to file the annual certification under ORS 315.164 (6);

2 “(b) Failure to continue to substantially comply with occupational safety
3 or health laws, rules, regulations or standards under ORS 315.164 (10);

4 “(c) Failure to register as a farmworker camp with the Department of
5 Consumer and Business Services under ORS 658.750;

6 “(d) Failure of the operator to hold a valid indorsement as a farmworker
7 camp operator under ORS 658.730; or

8 “(e) Failure to comply with any other rules or provisions relating to the
9 operation or maintenance of the [*farmworker*] **agriculture workforce** hous-
10 ing after work on the **agriculture workforce housing** project has been
11 completed.

12 “(5)(a) A contributor does not remain eligible to receive a credit under
13 this section if the Department of Revenue finds, by order of a disallowance
14 of credit and pursuant to the procedures for a contested case under ORS
15 chapter 183, that the contributor obtained the credit by fraud or misrepre-
16 sentation, including a finding that the housing did not comply with all oc-
17 cupational safety or health laws, rules, regulations and standards applicable
18 for [*farmworker*] **agriculture workforce** housing at the time the housing
19 was completed.

20 “(b) If the credit is disallowed pursuant to this subsection, notwithstand-
21 ing ORS 314.410 or other law, all prior tax relief provided to the taxpayer
22 shall be forfeited and the department shall proceed to collect those taxes not
23 paid by the taxpayer as a result of the prior granting of the credit.

24 “(c) If the credit is disallowed pursuant to this subsection, the taxpayer
25 shall be denied any further credit provided under this section, in connection
26 with the [*farmworker*] **agriculture workforce** housing project, as the case
27 may be, from and after the date that the order of disallowance becomes final.

28 “(6)(a) The credit allowed under this section may be taken for the tax
29 year in which the [*farmworker*] **agriculture workforce** housing project is
30 completed or in any of the nine tax years succeeding the tax year in which

1 the project is completed.

2 “(b) The credit allowed in any one tax year may not exceed 20 percent
3 of the amount determined under subsection (2) of this section that was
4 transferred to the contributor claiming the credit.

5 “(7) Except as provided under subsection (8) of this section, the credit
6 allowed in any one year may not exceed the tax liability of the taxpayer.

7 “(8) Any tax credit otherwise allowable under this section that is not used
8 by the taxpayer in a particular tax year may be carried forward and offset
9 against the taxpayer’s tax liability for the next succeeding tax year. Any
10 credit remaining unused in such next succeeding tax year may be carried
11 forward and used in the second succeeding tax year, and likewise any credit
12 not used in that second succeeding tax year may be carried forward and used
13 in the third succeeding tax year, and any credit not used in that third suc-
14 ceeding tax year may be carried forward and used in the fourth succeeding
15 tax year, and any credit not used in that fourth succeeding tax year may be
16 carried forward and used in the fifth succeeding tax year, and any credit not
17 used in that fifth succeeding tax year may be carried forward and used in
18 the sixth succeeding tax year, and any credit not used in that sixth suc-
19 ceeding tax year may be carried forward and used in the seventh succeeding
20 tax year, and any credit not used in that seventh succeeding tax year may
21 be carried forward and used in the eighth succeeding tax year, and any credit
22 not used in that eighth succeeding tax year may be carried forward and used
23 in the ninth succeeding tax year, but may not be carried forward for any tax
24 year thereafter.

25 “(9)(a) A nonresident individual shall be allowed the credit computed in
26 the same manner and subject to the same limitations as the credit allowed
27 a resident by this section. However, the credit shall be prorated using the
28 proportion provided in ORS 316.117.

29 “(b) If a change in the taxable year of a taxpayer occurs as described in
30 ORS 314.085, or if the department terminates the taxpayer’s taxable year

1 under ORS 314.440, the credit allowed by this section shall be prorated or
2 computed in a manner consistent with ORS 314.085.

3 “(c) If a change in the status of a taxpayer from resident to nonresident
4 or from nonresident to resident occurs, the credit allowed by this section
5 shall be determined in a manner consistent with ORS 316.117.

6 “(10) The department may adopt rules for carrying out the provisions of
7 this section.

8 “**SECTION 23.** ORS 315.172 is amended to read:

9 “315.172. Upon an order of the disallowance of a credit for [*farmworker*]
10 **agriculture workforce** housing under ORS 315.164 (11) or 315.169 (5), the
11 Department of Revenue immediately shall collect any taxes due by reason
12 of the disallowance and shall have the benefit of all the laws of this state
13 pertaining to the collection of income and excise taxes. An assessment of the
14 taxes is not necessary and a statute of limitation shall not preclude the
15 collection of the taxes.

16 “**SECTION 24.** ORS 317.147 is amended to read:

17 “317.147. (1) As used in this section:

18 “(a) [*Farmworker*] ‘**Agriculture workforce** housing’ has the meaning
19 given that term in ORS 315.163.

20 “(b) ‘Lending institution’ means a bank, mortgage banking company, trust
21 company, savings bank, credit union, national banking association, federal
22 savings and loan association, federal credit union maintaining an office in
23 this state, nonprofit community development financial institution or
24 nonprofit public benefit corporation operating as a lending institution.

25 “(2)(a) A lending institution shall be allowed a credit against the taxes
26 otherwise due under this chapter for the tax year equal to 50 percent of the
27 interest income earned during the tax year on loans to finance only costs
28 directly associated with construction or rehabilitation of [*farmworker*] **agri-**
29 **culture workforce** housing if, at the time the loan is made, the borrower
30 certifies, to the satisfaction of the lender, that upon completion of the con-

1 construction or rehabilitation and first occupation by [*farmworkers*] **agricul-**
2 **tural workers**, the housing will comply with all occupational safety or
3 health laws, rules, regulations and standards applicable for [*farmworker*]
4 **agriculture workforce** housing and that the housing will be occupied only
5 by [*farmworkers*] **agricultural workers** and their immediate families.

6 “(b) A copy of the certification described under paragraph (a) of this
7 subsection shall be submitted to the Department of Revenue at the time that
8 a credit under this section is first claimed.

9 “(3) The credit allowed under this section applies only to loans to con-
10 struct or rehabilitate [*farmworker*] **agriculture workforce** housing located
11 within this state.

12 “(4) This credit applies only to loans made on or after January 1, 1990.

13 “(5) The credit allowed in any one year may not exceed the tax liability
14 of the taxpayer.

15 “(6) If the loan has a term of longer than 10 years, then the credit shall
16 be allowed only for the tax year of the taxpayer during which the loan is
17 made and the nine tax years immediately following.

18 “(7) The credit allowed under this section does not apply to loans in
19 which the interest rate charged exceeds 13-1/2 percent per annum.

20 “(8) The credit allowed under this section applies only to interest income
21 from the loan and does not apply to any other loan fees or other charges
22 collected by the lending institution with respect to the loan.

23 “(9) The credit allowed under this section applies only to interest income
24 actually collected by the lending institution during the tax year.

25 “(10)(a) Except as provided in paragraph (b) of this subsection, if the
26 lending institution sells the loan to another lending institution, then the
27 credit shall pass to the assignee or transferee of the loan, subject to the same
28 conditions and limitations as set forth in this section.

29 “(b) A lending institution may assign, sell or otherwise transfer the loan
30 to another person and retain the right to claim the credit granted under this

1 section if the lending institution also retains responsibility for servicing the
2 loan.

3 “(c)(A) A lending institution that is not subject to taxation under this
4 chapter may sell or otherwise transfer the credit allowed to the lending in-
5 stitution under this section to a taxpayer that is subject to taxation under
6 this chapter.

7 “(B) A transferee of a credit under this section shall be allowed the credit
8 for the tax years that would have been allowable to the transferor had the
9 transfer not occurred.

10 “(C) The Department of Revenue shall by rule establish procedures for
11 transferring a credit under this section.

12 **“SECTION 25.** ORS 314.752 is amended to read:

13 “314.752. (1) Except as provided in ORS 314.740 (5)(b), the tax credits al-
14 lowed or allowable to a C corporation for purposes of ORS chapter 317 or
15 318 shall not be allowed to an S corporation. The business tax credits al-
16 lowed or allowable for purposes of ORS chapter 316 shall be allowed or are
17 allowable to the shareholders of the S corporation.

18 “(2) In determining the tax imposed under ORS chapter 316, as provided
19 under ORS 314.734, on income of the shareholder of an S corporation, there
20 shall be taken into account the shareholder’s pro rata share of business tax
21 credit (or item thereof) that would be allowed to the corporation (but for
22 subsection (1) of this section) or recapture or recovery thereof. The credit (or
23 item thereof), recapture or recovery shall be passed through to shareholders
24 in pro rata shares as determined in the manner prescribed under section
25 1377(a) of the Internal Revenue Code.

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

30 “(4) If the shareholder is a nonresident and there is a requirement appli-

1 cable for the business tax credit that in the case of a nonresident the credit
2 be allowed in the proportion provided in ORS 316.117, then that provision
3 shall apply to the nonresident shareholder.

4 “(5) As used in this section, ‘business tax credit’ means a tax credit
5 granted to personal income taxpayers to encourage certain investment, to
6 create employment, economic opportunity or incentive or for charitable, ed-
7 ucational, scientific, literary or public purposes that is listed under this
8 subsection as a business tax credit or is designated as a business tax credit
9 by law or by the Department of Revenue by rule and includes but is not
10 limited to the following credits: ORS 285C.309 (tribal taxes on reservation
11 enterprise zones and reservation partnership zones), ORS 315.104 (forestation
12 and reforestation), ORS 315.138 (fish screening, by-pass devices, fishways),
13 ORS 315.141 (biomass production for biofuel), ORS 315.156 (crop gleaning),
14 ORS 315.164 and 315.169 [*farmworker*] (**agriculture workforce** housing),
15 ORS 315.204 (dependent care assistance), ORS 315.208 (dependent care facili-
16 ties), ORS 315.213 (contributions for child care), ORS 315.304 (pollution con-
17 trol facility), ORS 315.326 (renewable energy development contributions),
18 ORS 315.331 (energy conservation projects), ORS 315.336 (transportation
19 projects), ORS 315.341 (renewable energy resource equipment manufacturing
20 facilities), ORS 315.354 and 469B.151 (energy conservation facilities), ORS
21 315.507 (electronic commerce), ORS 315.533 (low income community jobs ini-
22 tiative) and ORS 317.115 (fueling stations necessary to operate an alternative
23 fuel vehicle).

24 **“SECTION 26.** ORS 455.380 is amended to read:

25 “455.380. (1) Notwithstanding the provisions of ORS 455.148 and 455.150,
26 the Department of Consumer and Business Services is the final authority in
27 interpretation, execution and enforcement of state and municipal adminis-
28 tration of building codes and rules with respect to construction of
29 [*farmworker*] **agriculture workforce** housing as defined in ORS 315.163.

30 “(2) The department shall provide for a statewide uniform application and

1 method of calculating permit fees for [*farmworker*] **agriculture workforce**
2 housing as defined in ORS 315.163.

3 “(3) The department shall adopt rules to carry out the provisions of sub-
4 sections (1) and (2) of this section.

5 **“SECTION 27.** ORS 456.508 is amended to read:

6 “456.508. As used in ORS 456.510 and 456.513:

7 “(1) ‘Accessible’ means that housing complies with federal accessibility
8 guidelines implementing the Fair Housing Amendments Act of 1988, 42 U.S.C.
9 3601 et seq., as amended and in effect on January 1, 2004.

10 “(2) ‘Common living space’ means a living room, family room, dining room
11 or kitchen.

12 “(3) ‘Contiguous units’ means units that are on the same tax lot or on
13 contiguous tax lots that have a common boundary. Tax lots that are sepa-
14 rated by a public road are contiguous tax lots for purposes of this subsection.

15 “(4) ‘New’ means that the housing being constructed did not previously
16 exist in residential or nonresidential form. ‘New’ does not include the ac-
17 quisition, alteration, renovation or remodeling of an existing structure.

18 “(5) ‘Powder room’ means a room containing at least a toilet and sink.

19 “(6) ‘Rental housing’ means a dwelling unit designed for nonowner occu-
20 pancy under a tenancy typically lasting six months or longer.

21 “(7) ‘Subsidized development’ means housing that receives one or more of
22 the following development subsidies from the Housing and Community Ser-
23 vices Department:

24 “(a) The federal low-income housing tax credit under 26 U.S.C. 42(a), if
25 no part of the eligible basis prior to the application of 26 U.S.C. 42(i)(2)(B)
26 was financed with an obligation described in 26 U.S.C. 42(h)(4)(A), all as
27 amended and in effect on January 1, 2004;

28 “(b) [*A farmworker*] **An agriculture workforce** housing tax credit, as
29 described in ORS 315.164;

30 “(c) A loan that qualifies the lending institution for a subsidized housing

1 loan tax credit, as described in ORS 317.097;

2 “(d) Funding under the federal HOME Investment Partnerships Act, 42
3 U.S.C. 12721 to 12839, as amended and in effect on January 1, 2004;

4 “(e) Moneys from the Oregon Housing Fund created under ORS 458.620;
5 or

6 “(f) Moneys from other grant or tax incentive programs administered by
7 the Housing and Community Services Department under ORS 456.559.

8 “(8) ‘Visitable’ means capable of being approached, entered and used by
9 individuals with mobility impairments, including but not limited to individ-
10 uals using wheelchairs.

11 **“SECTION 28.** ORS 456.510 is amended to read:

12 “456.510. (1) Except as provided in this section and ORS 456.513, the
13 Housing and Community Services Department may not provide funding for
14 the development of new rental housing that is a subsidized development un-
15 less:

16 “(a) Each dwelling unit of the housing meets the following requirements:

17 “(A) At least one visitable exterior route leading to a dwelling unit en-
18 trance that is stepless and has a minimum clearance of 32 inches.

19 “(B) One or more visitable routes between the visitable dwelling unit
20 entrance and a visitable common living space.

21 “(C) At least one visitable common living space.

22 “(D) One or more visitable routes between the dwelling unit entrance and
23 a powder room.

24 “(E) A powder room doorway that is stepless and has a minimum clear-
25 ance of 32 inches.

26 “(F) A powder room with walls that are reinforced in a manner suitable
27 for handrail installation.

28 “(G) Light switches, electrical outlets and environmental controls that
29 are at a reachable height.

30 “(b) For a development that has a shared community room or that has 20

1 or more contiguous units, there is at least one powder room available for all
2 tenants and guests that is accessible.

3 “(2) For a multistory structure without an elevator, this section applies
4 only to dwelling units on the ground floor of the structure.

5 “(3) This section does not apply to *[farmworker]* **agriculture workforce**
6 housing **as defined in ORS 315.163 that is** located on a farm.

7 **“SECTION 29.** ORS 456.585 is amended to read:

8 “456.585. The Housing and Community Services Department shall serve
9 as the primary state agency for *[farmworker housing]* information **about**
10 **agriculture workforce housing as defined in ORS 315.163.** The depart-
11 ment shall perform the following duties related to *[farmworker]* **agriculture**
12 **workforce** housing information:

13 “(1) Develop an information center for *[farmworker]* **agriculture**
14 **workforce** housing financing information. The department shall consult with
15 private organizations and the *[Farmworker]* **Agriculture Workforce** Hous-
16 ing Facilitation Team established pursuant to subsection (3) of this section
17 in developing and operating the information center. The information center
18 shall include provision for access by the Internet.

19 “(2) To the extent practicable, simplify the application process for funding
20 *[farmworker]* **agriculture workforce** housing projects **as defined in ORS**
21 **315.163.**

22 “(3) Establish *[a Farmworker]* **an Agriculture Workforce** Housing Fa-
23 cilitation Team to provide an ongoing discussion forum for state and local
24 government agencies that are involved with *[farmworker]* **agriculture**
25 **workforce** housing. Team members shall include the Housing and Commu-
26 nity Services Department, the Occupational Safety and Health Division, the
27 State Department of Agriculture, the Department of Land Conservation and
28 Development, the Employment Department and the Oregon State University
29 Extension Service. The Housing and Community Services Department shall
30 also invite Rural Development and the Farm Service Agency of the United

1 States Department of Agriculture, the United States Department of Labor,
2 local planning agencies and other interested persons to be members of the
3 team.

4 “(4) Ensure that homeowner assistance programs engage in outreach ef-
5 forts to contact [*farmworkers*] **agricultural workers**.

6 “(5) Promote the establishment and use of individual development ac-
7 counts by [*farmworkers*] **agricultural workers** and others.

8 “(6) Use a statewide map of crop diversity to determine housing needs,
9 and facilitate the development of [*farmworker*] **agriculture workforce**
10 housing in appropriate locations.

11 “(7) Look at creative ways to provide **agriculture workforce** housing,
12 including but not limited to time-share housing, cooperative housing, mobile
13 and portable housing and modular housing.

14 “(8) Work with private businesses, state agencies and nonprofit organiza-
15 tions to maximize the development of [*farmworker*] **agriculture workforce**
16 housing.

17 “(9) To the extent practicable, refer housing-based conflicts to dispute
18 resolution processes.

19 **“SECTION 30.** ORS 566.340 is amended to read:

20 “566.340. Notwithstanding any other provisions of law, the funds and
21 proceeds of the trust assets that are not authorized to be administered by the
22 Secretary of Agriculture of the United States under the provisions of ORS
23 566.330 shall be received by the Department of State Lands and by it depos-
24 ited in the State Treasury in an account, separate and distinct from the
25 General Fund. Interest earned by the account shall be credited to the ac-
26 count. Moneys in the account are continuously appropriated to the Housing
27 and Community Services Department and may be expended or obligated by
28 the Housing and Community Services Department for the purposes of ORS
29 566.330 or for [*farmworker*] **agriculture workforce** housing permissible un-
30 der the charter of the now dissolved Oregon Rural Rehabilitation Corpo-

1 ration.

2 **“SECTION 31.** The amendments to ORS 315.163, 315.164, 315.167,
3 315.169, 315.172 and 317.147 by sections 19 to 24 of this 2013 Act apply
4 to tax years beginning on or after January 1, 2013.

5 **“SECTION 32.** (1) The amendments to ORS 456.585 by section 29 of
6 this 2013 Act are intended to change the name of the ‘Farmworker
7 Housing Facilitation Team’ to the ‘Agriculture Workforce Housing
8 Facilitation Team.’

9 **“(2)** For the purpose of harmonizing and clarifying statutory law,
10 the Legislative Counsel may substitute for words designating the
11 ‘Farmworker Housing Facilitation Team,’ wherever they occur in
12 statutory law, other words designating the ‘Agriculture Workforce
13 Housing Facilitation Team.’

14 **“SECTION 33.** Section 18, chapter 906, Oregon Laws 2007, as amended
15 by section 33, chapter 913, Oregon Laws 2009, is amended to read:

16 **“Sec. 18.** Section 17, chapter 906, Oregon Laws 2007, applies to individ-
17 uals whose household ends tenancy at a manufactured dwelling park during
18 a tax year that begins on or after January 1, 2007, and before January 1,
19 [2014] 2020.

20 **“SECTION 34.** Section 2b, chapter 906, Oregon Laws 2007, as amended
21 by section 1, chapter 83, Oregon Laws 2011, is amended to read:

22 **“Sec. 2b.** The amendments to ORS 90.645 by section 2a, chapter 906,
23 Oregon Laws 2007, become operative January 1, [2014] 2020.

24 **“SECTION 35.** Section 7b, chapter 906, Oregon Laws 2007, as amended
25 by section 3, chapter 83, Oregon Laws 2011, is amended to read:

26 **“Sec. 7b.** The amendments to ORS 90.650 by section 7a, chapter 906,
27 Oregon Laws 2007, become operative January 1, [2014] 2020.

28 **“NOTE:** Sections 36 and 37 were deleted by amendment. Subsequent
29 sections were not renumbered.

30 **“SECTION 38.** ORS 317.152 is amended to read:

1 “317.152. (1) A credit against taxes otherwise due under this chapter shall
2 be allowed to eligible taxpayers for increases in qualified research expenses
3 and basic research payments. The credit shall be determined in accordance
4 with section 41 of the Internal Revenue Code, except as follows:

5 “(a) The applicable percentage specified in section 41(a) of the Internal
6 Revenue Code shall be five percent.

7 “(b) ‘Qualified research’ and ‘basic research’ shall consist only of research
8 conducted in Oregon.

9 “(c) The following do not apply to the credit allowable under this section:

10 “(A) Section 41(c)(4) of the Internal Revenue Code (relating to the alter-
11 native incremental credit).

12 “(B) Section 41(h) of the Internal Revenue Code (relating to termination
13 of the federal credit).

14 “(2) For purposes of this section, ‘eligible taxpayer’ means a corporation,
15 other than a corporation excluded under Internal Revenue Code section
16 41(e)(7)(E).

17 “(3) The Income Tax Regulations as prescribed by the Secretary of the
18 Treasury under authority of section 41 of the Internal Revenue Code apply
19 for purposes of this section, except as modified by this section or as provided
20 in rules adopted by the Department of Revenue.

21 “(4) The maximum credit under this section may not exceed [*\$1 million*]
22 **\$2 million.**

23 “(5) A deduction may not be taken for the portion of expenses or pay-
24 ments, otherwise allowable as a deduction, that is equal to the amount of the
25 credit claimed under this section.

26 “(6) Any tax credit that is otherwise allowable under this section and that
27 is not used by the taxpayer in that year may be carried forward and offset
28 against the taxpayer’s tax liability for the next succeeding tax year. Any
29 credit remaining unused in such next succeeding tax year may be carried
30 forward and used in the second succeeding tax year, and likewise any credit

1 not used in that second succeeding tax year may be carried forward and used
2 in the third succeeding tax year, and any credit not used in that third suc-
3 ceeding tax year may be carried forward and used in the fourth succeeding
4 tax year, and any credit not used in that fourth succeeding tax year may be
5 carried forward and used in the fifth succeeding tax year, but may not be
6 carried forward for any tax year thereafter.

7 **“SECTION 39.** ORS 317.154 is amended to read:

8 “317.154. (1) A credit against taxes otherwise due under this chapter shall
9 be allowed for qualified research expenses that exceed 10 percent of Oregon
10 sales.

11 “(2) For purposes of this section:

12 “(a) ‘Oregon sales’ shall be computed using the laws and administrative
13 rules for calculating the numerator of the Oregon sales factor under ORS
14 314.665.

15 “(b) ‘Qualified research’ has the meaning given the term under section
16 41(d) of the Internal Revenue Code and shall consist only of research con-
17 ducted in Oregon.

18 “(3) The credit under this section is equal to five percent of the amount
19 by which the qualified research expenses exceed 10 percent of Oregon sales.

20 “(4) The credit under this section shall not exceed \$10,000 times the
21 number of percentage points by which the qualifying research expenses ex-
22 ceed 10 percent of Oregon sales.

23 “(5) The maximum credit under this section may not exceed [*\$1 million*]
24 **\$2 million.**

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

28 “[~~(6)~~] (7) Any tax credit that is otherwise allowable under this section and
29 that is not used by the taxpayer in that year may be carried forward and
30 offset against the taxpayer’s tax liability for the next succeeding tax year.

1 Any credit remaining unused in such next succeeding tax year may be car-
2 ried forward and used in the second succeeding tax year, and likewise any
3 credit not used in that second succeeding tax year may be carried forward
4 and used in the third succeeding tax year, and any credit not used in that
5 third succeeding tax year may be carried forward and used in the fourth
6 succeeding tax year, and any credit not used in that fourth succeeding tax
7 year may be carried forward and used in the fifth succeeding tax year, but
8 may not be carried forward for any tax year thereafter.

9 **“SECTION 40. The amendments to ORS 317.152 and 317.154 by**
10 **sections 38 and 39 of this 2013 Act apply to tax years beginning on or**
11 **after January 1, 2014.**

12 **“SECTION 41.** ORS 284.367, as amended by section 15, chapter 730,
13 Oregon Laws 2011, is amended to read:

14 “284.367. (1) The Oregon Production Investment Fund is established in the
15 State Treasury, separate and distinct from the General Fund. Interest earned
16 by the Oregon Production Investment Fund shall be credited to the fund.

17 “(2) Moneys in the Oregon Production Investment Fund shall consist of:

18 “(a) Amounts donated to the fund;

19 “(b) Amounts appropriated or otherwise transferred to the fund by the
20 Legislative Assembly;

21 “(c) Other amounts deposited in the fund from any source; and

22 “(d) Interest earned by the fund.

23 “(3) Ninety-five percent of moneys in the fund are continuously appropri-
24 ated to the Oregon Business Development Department for the purposes of
25 making:

26 “(a) Reimbursements to filmmakers under ORS 284.368;

27 “(b) Payments to a tax credit marketer for marketing services provided
28 by the marketer as described in ORS 284.369; and

29 “(c) Refunds described in ORS 315.514 (5).

30 “(4) Five percent of moneys in the fund are continuously appropriated to

1 the department for the purpose of making reimbursements to local
2 filmmakers **or local media production services companies** under ORS
3 284.368 (3). **Total annual reimbursements to local media production**
4 **services companies may not exceed five percent of the moneys depos-**
5 **ited annually in the fund. On July 1 of each fiscal year, any moneys**
6 **that remain unexpended or unallocated from the previous fiscal year**
7 **may be used by the department for the purpose of making reimburse-**
8 **ments to filmmakers under ORS 284.368 (2).**

9 “(5) Expenditures from the fund are not subject to ORS 291.232 to 291.260.

10 **“SECTION 42.** ORS 284.368 is amended to read:

11 “284.368. (1) As used in this section:

12 “(a) ‘Actual Oregon expenses’ means the costs paid in Oregon for princi-
13 pal photography, production or postproduction in Oregon of a film, **or for**
14 **media production services**, including but not limited to the purchase or
15 rental cost of equipment, food, lodging, real property and permits and pay-
16 ments made for salaries, wages and benefits for work in Oregon.

17 “(b) ‘Film’ means a television movie or one or more episodes of a single
18 television series, or a movie produced for release to theaters, video or the
19 Internet. ‘Film’ does not include the production of a commercial or one or
20 more segments of a newscast or sporting event.

21 “(c) ‘Filmmaker’ means a person who owns a television or film production
22 company.

23 “(d) ‘Local filmmaker’ means a person who owns a television or film
24 production company that has its principal place of business in this state.

25 “(e) **‘Local media production services company’ means a media**
26 **production services company that has its principal place of business**
27 **in this state.**

28 “(f) **‘Media production services’ includes postproduction services**
29 **and interactive video game development. ‘Media production services’**
30 **does not include the production of a commercial or one or more seg-**

1 **ments of a newscast or sporting event.**

2 **“(g) ‘Media production services company’ means a person who is**
3 **engaged in media production services.**

4 **“[(e)] (h) ‘Resident of this state’ has the meaning given that term in ORS**
5 **316.027.**

6 **“(2)(a) The Oregon Business Development Department may reimburse a**
7 **filmmaker for a portion of the actual Oregon expenses incurred by the**
8 **filmmaker.**

9 **“(b) Maximum reimbursement for a single film shall be the total of:**

10 **“(A) 10 percent of payments made for employee salaries, wages and bene-**
11 **fits for work done in Oregon; and**

12 **“(B) 20 percent of all other actual Oregon expenses.**

13 **“(c) To qualify for reimbursement under this subsection, total actual**
14 **Oregon expenses for the film must equal or exceed [**~~*\$750,000*~~**] \$1 million.**

15 **“(3)(a) The department may reimburse a local filmmaker **or local media****
16 ****production services company** for all or a portion of the actual Oregon**
17 **expenses, **up to \$1 million,** incurred by the local filmmaker **or local media****
18 ****production services company.****

19 **“(b) To qualify for reimbursement under this subsection:**

20 **“(A) Total actual Oregon expenses paid for the film **or media production****
21 ****services** must be at least \$75,000 [*and less than \$750,000*];**

22 **“(B) The local filmmaker **or local media production services company****
23 **must have spent 80 percent of the film’s payroll on employees who are resi-**
24 **dents of this state; and**

25 **“(C) The local filmmaker **or local media production services company****
26 **must have employed or contracted with a public accountant certified under**
27 **ORS 673.040 for the provision of payroll services.**

28 **“(4) Reimbursement under this section shall be made from moneys cred-**
29 **ited to or deposited in the Oregon Production Investment Fund during the**
30 **biennium in which the actual Oregon expenses were paid or any prior**

1 biennium. A reimbursement may not be made to the extent funds are not
2 available in the fund to make the reimbursement.

3 “(5)(a) Total actual Oregon expenses supporting a claim for reimburse-
4 ment under this section must be verified by the Oregon Film and Video Of-
5 fice. The filmmaker **or local media production services company** must
6 submit to the office proof of the actual Oregon expenses. The proof must
7 include any documentation that may be required by the office in its dis-
8 cretion to verify the actual Oregon expenses.

9 “(b) The office may charge the filmmaker **or local media production**
10 **services company** for costs reasonably incurred to verify the actual Oregon
11 expenses, including but not limited to the cost for a review or audit of the
12 supporting documentation by an accountant or auditor. The office may re-
13 quire the department to deduct the costs incurred by the office in performing
14 its review or audit from any reimbursement made to the filmmaker **or local**
15 **media production services company** under this section.

16 “(c) The office may adopt rules that establish a procedure for the sub-
17 mission and verification of actual Oregon expenses.

18 **“SECTION 43.** ORS 315.514 is amended to read:

19 “315.514. (1) A credit against the taxes that are otherwise due under ORS
20 chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317 or
21 318, is allowed to a taxpayer for certified film production development con-
22 tributions made by the taxpayer during the tax year to the Oregon Pro-
23 duction Investment Fund established under ORS 284.367.

24 “(2)(a) The Department of Revenue shall, in cooperation with the Oregon
25 Film and Video Office, conduct an auction of tax credits under this section.
26 The department may conduct the auction in the manner that it determines
27 is best suited to maximize the return to the state on the sale of tax credit
28 certifications and shall announce a reserve bid prior to conducting the auc-
29 tion. The reserve amount shall be at least 95 percent of the total amount of
30 the tax credit. Moneys necessary to reimburse the department for the actual

1 costs incurred by the department in administering an auction, not to exceed
2 0.25 percent of auction proceeds, are continuously appropriated to the de-
3 partment. The department shall deposit net receipts from the auction re-
4 quired under this section in the Oregon Production Investment Fund.

5 “(b) The Oregon Film and Video Office shall adopt rules in order to
6 achieve the following goals:

7 “(A) Subject to paragraph (a) of this subsection, generate contributions
8 for which tax credits of [\$6] **\$12** million are certified for each fiscal year;

9 “(B) Maximize income and excise tax revenues that are retained by the
10 State of Oregon for state operations; and

11 “(C) Provide the necessary financial incentives for taxpayers to make
12 contributions, taking into consideration the impact of granting a credit upon
13 a taxpayer’s federal income tax liability.

14 “(3) Contributions made under this section shall be deposited in the
15 Oregon Production Investment Fund.

16 “(4)(a) Upon receipt of a contribution, the Oregon Film and Video Office
17 shall, except as provided in ORS 315.516, issue to the taxpayer written cer-
18 tification of the amount certified for tax credit under this section to the
19 extent the amount certified for tax credit, when added to all amounts previ-
20 ously certified for tax credit under this section, does not exceed [\$6] **\$12**
21 million for the fiscal year in which certification is made.

22 “(b) The Oregon Film and Video Office and the department are not liable,
23 and a refund of a contributed amount need not be made, if a taxpayer who
24 has received tax credit certification is unable to use all or a portion of the
25 tax credit to offset the tax liability of the taxpayer.

26 “(5) To the extent the Oregon Film and Video Office does not certify
27 contributed amounts as eligible for a tax credit under this section, the tax-
28 payer may request a refund of the amount the taxpayer contributed, and the
29 office shall refund that amount.

30 “(6)(a) Except as provided in paragraph (b) of this subsection, a tax credit

1 claimed under this section may not exceed the tax liability of the taxpayer
2 and may not be carried over to another tax year.

3 “(b) Any tax credit otherwise allowable under this section that is not used
4 by the taxpayer in a particular tax year may be carried forward and offset
5 against the taxpayer’s tax liability for the next succeeding tax year. Any
6 credit remaining unused in the next succeeding tax year may be carried
7 forward and used in the second succeeding tax year, and likewise, any credit
8 not used in that second succeeding tax year may be carried forward and used
9 in the third succeeding tax year but may not be carried forward for any tax
10 year thereafter.

11 “(c) A taxpayer is not eligible for a tax credit under this section if the
12 first tax year for which the credit would otherwise be allowed begins on or
13 after January 1, 2018.

14 “(7) If a tax credit is claimed under this section by a nonresident or
15 part-year resident taxpayer, the amount shall be allowed without proration
16 under ORS 316.117.

17 “(8) If the amount of contribution for which a tax credit certification is
18 made is allowed as a deduction for federal tax purposes, the amount of the
19 contribution shall be added to federal taxable income for Oregon tax pur-
20 poses.

21 **“SECTION 44. The amendments to ORS 284.367, 284.368 and 315.514**
22 **by sections 41 to 43 of this 2013 Act apply to fiscal years beginning on**
23 **or after July 1, 2013.**

24 **“SECTION 45.** ORS 315.336, as amended by section 6, chapter 45, Oregon
25 Laws 2012, is amended to read:

26 “315.336. (1) A credit is allowed against the taxes otherwise due under
27 ORS chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317
28 or 318, for a transportation project, based upon the certified cost of the
29 project during the period for which the project is certified under ORS
30 469B.320 to 469B.347.

1 “(2) The credit allowed for a project other than an alternative fuel vehicle
2 infrastructure project shall be as follows:

3 “(a) For tax years beginning on or after January 1, 2011, and before Jan-
4 uary 1, 2012, the maximum allowed credit shall be:

5 “(A) 35 percent of certified cost, if a preliminary certification is issued
6 under ORS 469B.329 prior to July 1, 2011; or

7 “(B) 25 percent of certified cost, if a preliminary certification is issued
8 under ORS 469B.329 on or after July 1, 2011, and before January 1, 2012.

9 “(b) For tax years beginning on or after January 1, 2012, and before Jan-
10 uary 1, 2013, the maximum allowed credit shall be 25 percent of certified
11 cost.

12 “(c) For tax years beginning on or after January 1, 2013, and before Jan-
13 uary 1, 2014, the maximum allowed credit shall be 20 percent of certified
14 cost.

15 “(d) For tax years beginning on or after January 1, 2014, and before Jan-
16 uary 1, 2015, the maximum allowed credit shall be 15 percent of certified
17 cost.

18 “(e) For tax years beginning on or after January 1, 2015, and before Jan-
19 uary 1, 2016, the maximum allowed credit shall be 10 percent of certified
20 cost.

21 “(3) The total amount of the credit allowable for an alternative fuel ve-
22 hicle infrastructure project under this section may not exceed 35 percent of
23 the certified cost of the project.

24 “(4)[(a) *Except as provided in paragraph (b) of this subsection, the credit*
25 *allowed in each of the first two tax years in which the credit is claimed shall*
26 *be 10 percent of the certified cost of the project, but may not exceed the tax*
27 *liability of the taxpayer. The credit allowed in each of the succeeding three*
28 *years shall be five percent of the certified cost, but may not exceed the tax li-*
29 *ability of the taxpayer.]*

30 “[(b) *If the amount of the credit allowed under this section is less than 35*

1 *percent of the certified cost of the project, the credit allowed in any tax year*
2 *may not exceed five percent of the certified cost of the project, and]* **The total**
3 **amount of the credit allowable under this section may be claimed in**
4 **the first tax year for which the credit may be claimed, but** may not
5 exceed the tax liability of the taxpayer.

6 “(5) In order for a tax credit to be allowable under this section:

7 “(a) The project must be located in Oregon.

8 “(b) The project must have received final certification from the Director
9 of the State Department of Energy under ORS 469B.320 to 469B.347.

10 “(6) Any tax credit otherwise allowable under this section that is not used
11 by the taxpayer in a particular year may be carried forward and offset
12 against the taxpayer’s tax liability for the next succeeding tax year. Any
13 credit remaining unused in that next succeeding tax year may be carried
14 forward and used in the second succeeding tax year, and likewise, any credit
15 not used in that second succeeding tax year may be carried forward and used
16 in the third succeeding tax year, and likewise, any credit not used in that
17 third succeeding tax year may be carried forward and used in the fourth
18 succeeding tax year, and likewise, any credit not used in that fourth suc-
19 ceeding tax year may be carried forward and used in the fifth succeeding tax
20 year, but may not be carried forward for any tax year thereafter. Credits
21 may be carried forward to and used in a tax year beyond the years specified
22 in subsection (2) of this section only as provided in this subsection.

23 “(7) The credit allowed under this section is not in lieu of any depreci-
24 ation or amortization deduction for the transportation project to which the
25 taxpayer otherwise may be entitled for purposes of ORS chapter 316, 317 or
26 318 for such year.

27 “(8) The taxpayer’s adjusted basis for determining gain or loss may not
28 be decreased by any tax credits allowed under this section.

29 “(9) The definitions in ORS 469B.320 apply to this section.

30 “**NOTE:** Sections 46 through 51 were deleted by amendment. Subsequent

1 sections were not renumbered.

2 **“SECTION 52. The amendments to ORS 315.336 by section 45 of this**
3 **2013 Act apply to tax years beginning on or after January 1, 2014.**

4 **“SECTION 53.** ORS 315.141, as amended by section 15, chapter 45, Oregon
5 Laws 2012, is amended to read:

6 “315.141. (1) As used in this section:

7 “(a) ‘Agricultural producer’ means a person that produces biomass in
8 Oregon that is used, in Oregon, as biofuel or to produce biofuel.

9 “(b) ‘Biofuel’ means liquid, gaseous or solid fuels, derived from biomass,
10 that have been converted into a processed fuel ready for use as energy by a
11 biofuel producer’s customers or for direct biomass energy use at the biofuel
12 producer’s site.

13 “(c) ‘Biofuel producer’ means a person that through activities in Oregon:

14 “(A) Alters the physical makeup of biomass to convert it into biofuel;

15 “(B) Changes one biofuel into another type of biofuel; or

16 “(C) Uses biomass in Oregon to produce energy.

17 “(d) ‘Biomass’ means organic matter that is available on a renewable or
18 recurring basis and that is derived from:

19 “(A) Forest or rangeland woody debris from harvesting or thinning con-
20 ducted to improve forest or rangeland ecological health and reduce unchar-
21 acteristic stand replacing wildfire risk;

22 “(B) Wood material from hardwood timber described in ORS 321.267 (3);

23 “(C) Agricultural residues;

24 “(D) Offal and tallow from animal rendering;

25 “(E) Food wastes collected as provided under ORS chapter 459 or 459A;

26 “(F) Wood debris collected as provided under ORS chapter 459 or 459A;

27 “(G) Wastewater solids; or

28 “(H) Crops grown solely to be used for energy.

29 “(e) ‘Biomass’ does not mean wood that has been treated with creosote,
30 pentachlorophenol, inorganic arsenic or other inorganic chemical compounds

1 or waste, other than matter described in paragraph (d) of this subsection.

2 “(f) ‘Biomass collector’ means a person that collects biomass in Oregon
3 to be used, in Oregon, as biofuel or to produce biofuel.

4 “(g) ‘Canola’ means plants of the genus **Brassica**:

5 “(A) **In which seeds having a high oil content are the primary eco-**
6 **nomically valuable product; and**

7 “(B) **That have a high erucic acid content suitable for industrial**
8 **uses or a low erucic acid content suitable for edible oils.**

9 “[g] (h) ‘Oilseed processor’ means a person that receives agricultural
10 oilseeds and separates them into meal and oil by mechanical or chemical
11 means.

12 “(i) ‘**Willamette Valley**’ means **Clackamas, Linn, Marion,**
13 **Multnomah, Polk, Washington and Yamhill Counties and the portion**
14 **of Benton and Lane Counties lying east of the summit of the Coast**
15 **Range.**

16 “(2) The Director of the State Department of Energy may adopt rules to
17 define criteria, only as the criteria apply to organic biomass, to determine
18 additional characteristics of biomass for purposes of this section.

19 “(3)(a) An agricultural producer or biomass collector shall be allowed a
20 credit against the taxes that would otherwise be due under ORS chapter 316
21 or, if the taxpayer is a corporation, under ORS chapter 317 or 318 for:

22 “(A) The production of biomass in Oregon that is used, in Oregon, as
23 biofuel or to produce biofuel; or

24 “(B) The collection of biomass in Oregon that is used, in Oregon, as
25 biofuel or to produce biofuel.

26 “(b) A credit under this section may be claimed in the tax year in which
27 the credit is certified under subsection (5) of this section.

28 “(c) A taxpayer may be allowed a credit under this section for more than
29 one of the roles defined in subsection (1) of this section, but a biofuel pro-
30 ducer that is not also an agricultural producer or a biomass collector may

1 not claim a credit under this section.

2 “(d) A credit under this section may be claimed only once for each unit
3 of biomass.

4 “(e) Notwithstanding paragraph (a) of this subsection, a tax credit:

5 **“(A) Is not allowed for canola grown, collected or produced in the**
6 **Willamette Valley; and**

7 **“(B) Is not allowed for grain corn, but a tax credit shall be allowed for**
8 **other corn material.**

9 “(4) The amount of the credit shall equal the amount certified under
10 subsection (5) of this section.

11 “(5)(a) The State Department of Energy may establish by rule procedures
12 and criteria for determining the amount of the tax credit to be certified un-
13 der this section, consistent with ORS 469B.403. The department shall provide
14 written certification to taxpayers that are eligible to claim the credit under
15 this section.

16 “(b) The State Department of Energy may charge and collect a fee from
17 taxpayers for certification of credits under this section. The fee may not ex-
18 ceed the cost to the department of determining the amount of certified cost.

19 “(c) The State Department of Energy shall provide to the Department of
20 Revenue a list, by tax year, of taxpayers for which a credit is certified under
21 this section, upon request of the Department of Revenue.

22 “(6) The amount of the credit claimed under this section for any tax year
23 may not exceed the tax liability of the taxpayer.

24 “(7) Each agricultural producer or biomass collector shall maintain the
25 written documentation of the amount certified for tax credit under this sec-
26 tion in its records for a period of at least five years after the tax year in
27 which the credit is claimed and provide the written documentation to the
28 Department of Revenue upon request.

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

1 “(9) Any tax credit otherwise allowable under this section that is not used
2 by the taxpayer in a particular tax year may be carried forward and offset
3 against the taxpayer’s tax liability for the next succeeding tax year. Any
4 credit remaining unused in the next succeeding tax year may be carried
5 forward and used in the second succeeding tax year, and likewise any credit
6 not used in that second succeeding tax year may be carried forward and used
7 in the third succeeding tax year, and any credit not used in that third suc-
8 ceeding tax year may be carried forward and used in the fourth succeeding
9 tax year, but may not be carried forward for any tax year thereafter.

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

11 “(a) A nonresident shall be allowed the credit under this section in the
12 proportion provided in ORS 316.117.

13 “(b) If a change in the status of the taxpayer from resident to nonresident
14 or from nonresident to resident occurs, the credit allowed by this section
15 shall be determined in a manner consistent with ORS 316.117.

16 “(c) If a change in the taxable year of the taxpayer occurs as described
17 in ORS 314.085, or if the department terminates the taxpayer’s taxable year
18 under ORS 314.440, the credit allowed under this section shall be prorated
19 or computed in a manner consistent with ORS 314.085.

20 **“SECTION 54. The amendments to ORS 315.141 by section 53 of this**
21 **2013 Act apply to tax years beginning on or after January 1, 2014.**

22 **“SECTION 55. ORS 315.521 is amended to read:**

23 “315.521. (1) There shall be allowed a credit against the taxes that are
24 otherwise due under ORS chapter 316 or, if the taxpayer is a corporation,
25 under ORS chapter 317 or 318, for amounts contributed to a university ven-
26 ture development fund established under ORS 351.697, to the extent the uni-
27 versity that established the fund issued a tax credit certificate to the
28 taxpayer.

29 “(2) The total amount of the credit allowed to a taxpayer shall equal 60
30 percent of the amount stated on the tax credit certificate. Except as provided

1 in subsection (3) of this section, the amount of the credit allowed in any one
2 tax year shall equal 20 percent of the amount actually contributed to the
3 fund. **The credit shall be claimed in three consecutive tax years begin-**
4 **ning with the year in which the credit is initially allowed.**

5 “(3) The credit allowed under this section may not exceed \$50,000 or the
6 tax liability of the taxpayer for the tax year.

7 “(4) In the case of a credit allowed under this section for purposes of ORS
8 chapter 316:

9 “(a) A nonresident shall be allowed the credit in the same manner and
10 subject to the same limitations as a resident. However, the credit shall be
11 prorated using the proportion provided in ORS 316.117.

12 “(b) If a change in the tax year of a taxpayer occurs as described in ORS
13 314.085 or if the Department of Revenue terminates the taxpayer’s tax year
14 under ORS 314.440, the credit shall be prorated or computed in a manner
15 consistent with ORS 314.085.

16 “(c) If a change in the status of a taxpayer from resident to nonresident
17 or from nonresident to resident occurs, the credit shall be determined in a
18 manner consistent with ORS 316.117.

19 “(5) A taxpayer claiming a credit under this section shall add to federal
20 taxable income for Oregon tax purposes any amount that is deducted for
21 federal tax purposes and that also serves as the basis for the credit allowed
22 under this section.

23 **“SECTION 56.** Section 27, chapter 913, Oregon Laws 2009, is amended to
24 read:

25 **“Sec. 27.** A credit may not be claimed under ORS 315.521 [*for tax years*
26 *beginning*] **if the initial tax year in which the credit would otherwise**
27 **be allowed begins** on or after January 1, 2016.

28 **“SECTION 57.** ORS 173.025 is amended to read:

29 “173.025. (1) The Legislative Fiscal Officer, with the aid of the Oregon
30 Department of Administrative Services, Legislative Revenue Officer, state

1 agencies and affected local governmental units, including school districts,
2 shall prepare a fiscal impact statement on each measure reported out of a
3 committee of the Legislative Assembly that could have an effect on expend-
4 itures of local governmental units, including school districts.

5 “(2) The Legislative Revenue Officer, with aid of the Legislative Fiscal
6 Officer, the Department of Revenue, state agencies and affected local gov-
7 ernmental units, including school districts, shall prepare a revenue impact
8 statement on each measure reported out of a committee of the Legislative
9 Assembly that could have any effect on revenues of local governmental units,
10 including school districts.

11 **“(3)(a) As used in this subsection, ‘tax expenditure’ has the meaning**
12 **given that term in ORS 291.201.**

13 **“(b) If a revenue impact statement is prepared pursuant to sub-**
14 **section (2) of this section on a measure that creates a tax expenditure,**
15 **the revenue impact statement must include the revenue impact of the**
16 **measure for at least three consecutive biennia, beginning with the**
17 **current biennium.**

18 **“(c) If a revenue impact statement is prepared pursuant to sub-**
19 **section (2) of this section on a measure that creates or extends a tax**
20 **expenditure, the revenue impact statement must include a statement**
21 **describing the public policy purpose of the tax expenditure. The public**
22 **policy purpose statement is subject to review by the committee re-**
23 **commending passage of the measure.**

24 **“SECTION 58.** ORS 315.050 is amended to read:

25 **“315.050. (1) As used in this section, ‘tax expenditure’ has the**
26 **meaning given that term in ORS 291.201.**

27 **“(2) Any tax credit enacted by the Legislative Assembly on or after Jan-**
28 **uary 1, 2010, shall apply for a maximum of six tax years beginning with the**
29 **initial tax year for which the credit is applicable, unless the Legislative**
30 **Assembly expressly provides for another period of applicability.**

1 **“(3) Any tax expenditure enacted by the Legislative Assembly on**
2 **or after January 1, 2014, shall apply for a maximum of six tax years**
3 **beginning with the initial tax year for which the tax expenditure is**
4 **applicable, unless the Legislative Assembly expressly provides for an-**
5 **other period of applicability.**

6 **“SECTION 59.** Section 20, chapter 913, Oregon Laws 2009, as amended
7 by section 4, chapter 730, Oregon Laws 2011, is amended to read:

8 **“Sec. 20. (1)** A credit may not be claimed under ORS 317.122 (1) for tax
9 years beginning on or after January 1, 2018.

10 **“(2) A credit may not be claimed under ORS 317.122 (2) for tax years**
11 **beginning on or after January 1, 2014.**

12 **“SECTION 60.** ORS 316.502 is amended to read:

13 **“316.502. (1)** The net revenue from the tax imposed by this chapter, after
14 deducting refunds, shall be paid over to the State Treasurer and held in the
15 General Fund as miscellaneous receipts available generally to meet any ex-
16 pense or obligation of the State of Oregon lawfully incurred.

17 **“(2)** A working balance of unreceipted revenue from the tax imposed by
18 this chapter may be retained for the payment of refunds, but such working
19 balance shall not at the close of any fiscal year exceed the sum of \$1 million.

20 **“(3)** Moneys are continuously appropriated to the Department of Revenue
21 to make:

22 **“(a)** The refunds authorized under subsection (2) of this section; and

23 **“(b)** The refund payments in excess of tax liability authorized under ORS
24 315.262 and 315.266 and section 17, chapter 906, Oregon Laws 2007, **and**
25 **section 2, chapter 65, Oregon Laws 2012.**

26 **“SECTION 61.** Section 5, chapter 913, Oregon Laws 2009, is amended to
27 read:

28 **“Sec. 5.** Except as provided in ORS 315.156 (4), a credit may not be
29 claimed under ORS 315.156 for tax years beginning on or after January 1,
30 2012, **and before January 1, 2014, or beginning on or after January 1,**

1 2020.

2 **“SECTION 62.** The amendments to ORS 315.156, 315.266, 315.336,
3 315.514, 315.622, 317.152, 317.154 (5) and section 5, chapter 913, Oregon
4 Laws 2009, by sections 4, 14, 38, 39, 43, 45 and 61 of this 2013 Act do not
5 become operative unless House Bill 2456 becomes law.

6 **“SECTION 63.** This 2013 Act takes effect on the 91st day after the
7 date on which the 2013 regular session of the Seventy-seventh Legis-
8 lative Assembly adjourns sine die.”.

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