

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 3367**

1 On page 1 of the printed A-engrossed bill, line 3, after “315.172,” delete  
2 the rest of the line and insert “315.514, 315.521, 315.613, 315.616, 316.102,  
3 316.502, 316.695, 317.147, 317.154, 455.380.”

4 Delete line 4.

5 On page 2, delete lines 3 through 45 and delete pages 3 through 32 and  
6 insert:

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

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

12 **“SECTION 2.** Section 5, chapter 880, Oregon Laws 2007, and section  
13 **28, chapter 377, Oregon Laws 2013 (Enrolled House Bill 2492), are re-**  
14 **pealed.**

15 **“SECTION 3.** Section 29, chapter 377, Oregon Laws 2013 (Enrolled House  
16 Bill 2492), is amended to read:

17 **“Sec. 29.** (1) Except as provided in subsections (2) and (3) of this section,  
18 *[section 28 of this 2013 Act and]* the amendments to statutes by sections 1 to  
19 *27 [of this 2013 Act],* **chapter 377, Oregon Laws 2013 (Enrolled House Bill**  
20 **2492),** apply to transactions or activities occurring on or after January 1,  
21 2013, in tax years beginning on or after January 1, 2013.

22 **“(2)** The effective and applicable dates, and the exceptions, special rules

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

9 “(3)(a) If a deficiency is assessed against any taxpayer for a tax year be-  
10 ginning before January 1, 2013, and the deficiency or any portion thereof is  
11 attributable to any retroactive treatment under the amendments to ORS  
12 305.230, 305.494, 305.690, 307.130, 307.147, 308A.450, 310.140, 310.630, 310.800,  
13 314.011, 315.004, 316.012, 317.010, 317.097 and 348.841 by sections 11 to 25 [*of*  
14 *this 2013 Act*], **chapter 377, Oregon Laws 2013 (Enrolled House Bill**  
15 **2492)**, then any interest or penalty assessed under ORS chapter 305, 314, 315,  
16 316, 317 or 318 with respect to the deficiency or portion thereof shall be  
17 canceled.

18 “(b) If a refund is due any taxpayer for a tax year beginning before Jan-  
19 uary 1, 2013, and the refund or any portion thereof is due the taxpayer on  
20 account of any retroactive treatment under the amendments to ORS 305.230,  
21 305.494, 305.690, 307.130, 307.147, 308A.450, 310.140, 310.630, 310.800, 314.011,  
22 315.004, 316.012, 317.010, 317.097 and 348.841 by sections 11 to 25 [*of this 2013*  
23 *Act*], **chapter 377, Oregon Laws 2013 (Enrolled House Bill 2492)**, then  
24 notwithstanding ORS 305.270 or 314.415 or other law, the refund or portion  
25 thereof shall be paid without interest.

26 “(c) Any changes required because of the amendments to ORS 305.230,  
27 305.494, 305.690, 307.130, 307.147, 308A.450, 310.140, 310.630, 310.800, 314.011,  
28 315.004, 316.012, 317.010, 317.097 and 348.841 by sections 11 to 25 [*of this 2013*  
29 *Act*], **chapter 377, Oregon Laws 2013 (Enrolled House Bill 2492)**, for a tax  
30 year beginning before January 1, 2013, shall be made by filing an amended

1 return within the time prescribed by law.

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

9 **“SECTION 4.** ORS 316.695 is amended to read:

10 “316.695. (1) In addition to the modifications to federal taxable income  
11 contained in this chapter, there shall be added to or subtracted from federal  
12 taxable income:

13 “(a) If, in computing federal income tax for a [*taxable*] **tax** year, the tax-  
14 payer deducted itemized deductions, as defined in section 63(d) of the Inter-  
15 nal Revenue Code, the taxpayer shall add the amount of itemized deductions  
16 deducted (the itemized deductions less an amount, if any, by which the  
17 itemized deductions are reduced under section 68 of the Internal Revenue  
18 Code).

19 “(b) If, in computing federal income tax for a [*taxable*] **tax** year, the tax-  
20 payer deducted the standard deduction, as defined in section 63(c) of the  
21 Internal Revenue Code, the taxpayer shall add the amount of the standard  
22 deduction deducted.

23 “(c)(A) From federal taxable income there shall be subtracted the larger  
24 of (i) the taxpayer’s itemized deductions or (ii) a standard deduction. Except  
25 as provided in subsection (8) of this section, for purposes of this subpara-  
26 graph, ‘standard deduction’ means the sum of the basic standard deduction  
27 and the additional standard deduction.

28 “(B) For purposes of subparagraph (A) of this paragraph, the basic  
29 standard deduction is:

30 “(i) \$3,280, in the case of joint return filers or a surviving spouse;

1       “(ii) \$1,640, in the case of an individual who is not a married individual  
2 and is not a surviving spouse;

3       “(iii) \$1,640, in the case of a married individual who files a separate re-  
4 turn; or

5       “(iv) \$2,640, in the case of a head of household.

6       “(C)(i) For purposes of subparagraph (A) of this paragraph for tax years  
7 beginning on or after January 1, 2003, the Department of Revenue shall an-  
8 nually recompute the basic standard deduction for each category of return  
9 filer listed under subparagraph (B) of this paragraph. The basic standard  
10 deduction shall be computed by dividing the monthly averaged U.S. City  
11 Average Consumer Price Index for the 12 consecutive months ending August  
12 31 of the prior calendar year by the average U.S. City Average Consumer  
13 Price Index for the second quarter of 2002, then multiplying that quotient  
14 by the amount listed under subparagraph (B) of this paragraph for each  
15 category of return filer.

16       “(ii) If any change in the maximum household income determined under  
17 this subparagraph is not a multiple of \$5, the increase shall be rounded to  
18 the next lower multiple of \$5.

19       “(iii) As used in this subparagraph, ‘U.S. City Average Consumer Price  
20 Index’ means the U.S. City Average Consumer Price Index for All Urban  
21 Consumers (All Items) as published by the Bureau of Labor Statistics of the  
22 United States Department of Labor.

23       “(D) For purposes of subparagraph (A) of this paragraph, the additional  
24 standard deduction is the sum of each additional amount to which the tax-  
25 payer is entitled under subsection (7) of this section.

26       “(E) As used in subparagraph (B) of this paragraph, ‘surviving spouse’ and  
27 ‘head of household’ have the meaning given those terms in section 2 of the  
28 Internal Revenue Code.

29       “(F) In the case of the following, the standard deduction referred to in  
30 subparagraph (A) of this paragraph shall be zero:

1 “(i) A husband or wife filing a separate return where the other spouse  
2 has claimed itemized deductions under subparagraph (A) of this paragraph;

3 “(ii) A nonresident alien individual;

4 “(iii) An individual making a return for a period of less than 12 months  
5 on account of a change in the individual’s annual accounting period;

6 “(iv) An estate or trust;

7 “(v) A common trust fund; or

8 “(vi) A partnership.

9 “(d) For the purposes of paragraph (c)(A) of this subsection, the taxpayer’s  
10 itemized deductions are the sum of:

11 “(A) The taxpayer’s itemized deductions as defined in section 63(d) of the  
12 Internal Revenue Code (reduced, if applicable, as described under section 68  
13 of the Internal Revenue Code) minus the deduction for Oregon income tax  
14 (reduced, if applicable, by the proportion that the reduction in federal item-  
15 ized deductions resulting from section 68 of the Internal Revenue Code bears  
16 to the amount of federal itemized deductions as defined for purposes of sec-  
17 tion 68 of the Internal Revenue Code); and

18 “(B) The amount [*that may be taken into account under section 213(a) of*  
19 *the Internal Revenue Code,*] **paid for medical care of the taxpayer during**  
20 **the tax year and not compensated for by insurance or otherwise, as**  
21 **described in section 213(a) of the Internal Revenue Code,** not to exceed  
22 seven and one-half percent of the federal adjusted gross income of the tax-  
23 payer, if **the taxpayer or the taxpayer’s spouse has attained 62 years**  
24 **of age before the close of the tax year and if the amount is attributable**  
25 **to medical care of a taxpayer who has attained 62 years of age before**  
26 **the close of the tax year.** [*the taxpayer has attained the following age before*  
27 *the close of the taxable year, or, in the case of a joint return, if either taxpayer*  
28 *has attained the following age before the close of the taxable year:]*

29 “[*i*] For taxable years beginning on or after January 1, 1991, and before  
30 January 1, 1993, a taxpayer must attain 58 years of age before the close of the

1 *taxable year.*]

2 “[*ii*] *For taxable years beginning on or after January 1, 1993, and before*  
3 *January 1, 1995, a taxpayer must attain 59 years of age before the close of the*  
4 *taxable year.*]

5 “[*iii*] *For taxable years beginning on or after January 1, 1995, and before*  
6 *January 1, 1997, a taxpayer must attain 60 years of age before the close of the*  
7 *taxable year.*]

8 “[*iv*] *For taxable years beginning on or after January 1, 1997, and before*  
9 *January 1, 1999, a taxpayer must attain 61 years of age before the close of the*  
10 *taxable year.*]

11 “[*v*] *For taxable years beginning on or after January 1, 1999, a taxpayer*  
12 *must attain 62 years of age before the close of the taxable year.*]

13 “(2)(a) There shall be subtracted from federal taxable income any portion  
14 of the distribution of a pension, profit-sharing, stock bonus or other retire-  
15 ment plan, representing that portion of contributions which were taxed by  
16 the State of Oregon but not taxed by the federal government under laws in  
17 effect for tax years beginning prior to January 1, 1969, or for any subsequent  
18 year in which the amount that was contributed to the plan under the Inter-  
19 nal Revenue Code was greater than the amount allowed under this chapter.

20 “(b) Interest or other earnings on any excess contributions of a pension,  
21 profit-sharing, stock bonus or other retirement plan not permitted to be de-  
22 ducted under paragraph (a) of this subsection [*shall*] **may** not be added to  
23 federal taxable income in the year earned by the plan and [*shall*] **may** not  
24 be subtracted from federal taxable income in the year received by the tax-  
25 payer.

26 “(3)(a) Except as provided in subsection (4) of this section, there shall be  
27 added to federal taxable income the amount of any federal income taxes in  
28 excess of the amount provided in paragraphs (b) to (d) of this subsection,  
29 accrued by the taxpayer during the [*taxable*] **tax** year as described in ORS  
30 316.685, less the amount of any refund of federal taxes previously accrued for

1 which a tax benefit was received.

2 “(b) The limits applicable to this subsection are:

3 “(A) \$5,500, if the federal adjusted gross income of the taxpayer for the  
4 tax year is less than \$125,000, or, if reported on a joint return, less than  
5 \$250,000.

6 “(B) \$4,400, if the federal adjusted gross income of the taxpayer for the  
7 tax year is \$125,000 or more and less than \$130,000, or, if reported on a joint  
8 return, \$250,000 or more and less than \$260,000.

9 “(C) \$3,300, if the federal adjusted gross income of the taxpayer for the  
10 tax year is \$130,000 or more and less than \$135,000, or, if reported on a joint  
11 return, \$260,000 or more and less than \$270,000.

12 “(D) \$2,200, if the federal adjusted gross income of the taxpayer for the  
13 tax year is \$135,000 or more and less than \$140,000, or, if reported on a joint  
14 return, \$270,000 or more and less than \$280,000.

15 “(E) \$1,100, if the federal adjusted gross income of the taxpayer for the  
16 tax year is \$140,000 or more and less than \$145,000, or, if reported on a joint  
17 return, \$280,000 or more and less than \$290,000.

18 “(c) If the federal adjusted gross income of the taxpayer is \$145,000 or  
19 more for the tax year, or, if reported on a joint return, \$290,000 or more, the  
20 limit is zero and the taxpayer is not allowed a subtraction for federal income  
21 taxes under ORS 316.680 (1) for the tax year.

22 “(d) In the case of a husband and wife filing separate tax returns, the  
23 amount added shall be in the amount of any federal income taxes in excess  
24 of **50 percent of** the amount provided for individual taxpayers under para-  
25 graphs (a) to (c) of this subsection, less the amount of any refund of federal  
26 taxes previously accrued for which a tax benefit was received.

27 “(e) For purposes of this subsection, the limits applicable to a joint return  
28 shall apply to a head of household or a surviving spouse, as defined in sec-  
29 tion 2(a) and (b) of the Internal Revenue Code.

30 “(f)(A) For a calendar year beginning on or after January 1, 2008, the

1 Department of Revenue shall make a cost-of-living adjustment to the federal  
2 income tax threshold amounts described in paragraphs (b) and (d) of this  
3 subsection.

4 “(B) The cost-of-living adjustment for a calendar year is the percentage  
5 by which the monthly averaged U.S. City Average Consumer Price Index for  
6 the 12 consecutive months ending August 31 of the prior calendar year ex-  
7 ceeds the monthly averaged index for the period beginning September 1, 2005,  
8 and ending August 31, 2006.

9 “(C) As used in this paragraph, ‘U.S. City Average Consumer Price  
10 Index’ means the U.S. City Average Consumer Price Index for All Urban  
11 Consumers (All Items) as published by the Bureau of Labor Statistics of the  
12 United States Department of Labor.

13 “(D) If any adjustment determined under subparagraph (B) of this para-  
14 graph is not a multiple of \$50, the adjustment shall be rounded to the next  
15 lower multiple of \$50.

16 “(E) The adjustment shall apply to all tax years beginning in the calendar  
17 year for which the adjustment is made.

18 “(4)(a) In addition to the adjustments required by ORS 316.130, a full-year  
19 nonresident individual shall add to taxable income a proportion of any ac-  
20 crued federal income taxes as computed under ORS 316.685 in excess of the  
21 amount provided in subsection (3) of this section in the proportion provided  
22 in ORS 316.117.

23 “(b) In the case of a husband and wife filing separate tax returns, the  
24 amount added under this subsection shall be computed in a manner consist-  
25 ent with the computation of the amount to be added in the case of a husband  
26 and wife filing separate returns under subsection (3) of this section. The  
27 method of computation shall be determined by the Department of Revenue  
28 by rule.

29 “(5) Subsections (3)(d) and (4)(b) of this section shall not apply to married  
30 individuals living apart as defined in section 7703(b) of the Internal Revenue

1 Code.

2 “(6)(a) For tax years beginning on or after January 1, 1981, and prior to  
3 January 1, 1983, income or loss taken into account in determining federal  
4 taxable income by a shareholder of an S corporation pursuant to sections  
5 1373 to 1375 of the Internal Revenue Code shall be adjusted for purposes of  
6 determining Oregon taxable income, to the extent that as income or loss of  
7 the S corporation, they were required to be adjusted under the provisions  
8 of ORS chapter 317.

9 “(b) For tax years beginning on or after January 1, 1983, items of income,  
10 loss or deduction taken into account in determining federal taxable income  
11 by a shareholder of an S corporation pursuant to sections 1366 to 1368 of the  
12 Internal Revenue Code shall be adjusted for purposes of determining Oregon  
13 taxable income, to the extent that as items of income, loss or deduction of  
14 the shareholder the items are required to be adjusted under the provisions  
15 of this chapter.

16 “(c) The tax years referred to in paragraphs (a) and (b) of this subsection  
17 are those of the S corporation.

18 “(d) As used in paragraph (a) of this subsection, an S corporation refers  
19 to an electing small business corporation.

20 “(7)(a) The taxpayer shall be entitled to an additional amount, as referred  
21 to in subsection (1)(c)(A) and (D) of this section, of \$1,000:

22 “(A) For the taxpayer if the taxpayer has attained age 65 before the close  
23 of the taxpayer’s [*taxable*] **tax** year; and

24 “(B) For the spouse of the taxpayer if the spouse has attained age 65 be-  
25 fore the close of the [*taxable*] **tax** year and an additional exemption is al-  
26 lowable to the taxpayer for such spouse for federal income tax purposes  
27 under section 151(b) of the Internal Revenue Code.

28 “(b) The taxpayer shall be entitled to an additional amount, as referred  
29 to in subsection (1)(c)(A) and (D) of this section, of \$1,000:

30 “(A) For the taxpayer if the taxpayer is blind at the close of the

1 [taxable] tax year; and

2 “(B) For the spouse of the taxpayer if the spouse is blind as of the close  
3 of the [taxable] tax year and an additional exemption is allowable to the  
4 taxpayer for such spouse for federal income tax purposes under section 151(b)  
5 of the Internal Revenue Code. For purposes of this subparagraph, if the  
6 spouse dies during the [taxable] tax year, the determination of whether such  
7 spouse is blind shall be made immediately prior to death.

8 “(c) In the case of an individual who is not married and is not a surviving  
9 spouse, paragraphs (a) and (b) of this subsection shall be applied by substi-  
10 tuting ‘\$1,200’ for ‘\$1,000.’

11 “(d) For purposes of this subsection, an individual is blind only if the  
12 individual’s central visual acuity does not exceed 20/200 in the better eye  
13 with correcting lenses, or if the individual’s visual acuity is greater than  
14 20/200 but is accompanied by a limitation in the fields of vision such that  
15 the widest diameter of the visual field subtends an angle no greater than 20  
16 degrees.

17 “(8) In the case of an individual with respect to whom a deduction under  
18 section 151 of the Internal Revenue Code is allowable for federal income tax  
19 purposes to another taxpayer for a [taxable] tax year beginning in the cal-  
20 endar year in which the individual’s [taxable] tax year begins, the basic  
21 standard deduction (referred to in subsection (1)(c)(B) of this section) appli-  
22 cable to such individual for such individual’s [taxable] tax year shall equal  
23 the lesser of:

24 “(a) The amount allowed to the individual under section 63(c)(5) of the  
25 Internal Revenue Code for federal income tax purposes for the tax year for  
26 which the deduction is being claimed; or

27 “(b) The amount determined under subsection (1)(c)(B) of this section.

28 **“SECTION 5. The amendments to ORS 316.695 by section 4 of this**  
29 **2013 Act apply to tax years beginning on or after January 1, 2013.**

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

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

3 “(a) To a major political party qualified under ORS 248.006 or to a com-  
4 mittee thereof or to a minor political party qualified under ORS 248.008 or  
5 to a committee thereof.

6 “(b) To or for the use of a person who must be a candidate for nomination  
7 or election to a federal, state or local elective office in any primary election,  
8 general election or special election in this state. The person must, in the  
9 calendar year in which the contribution is made, either be listed on a pri-  
10 mary election, general election or special election ballot in this state or have  
11 filed in this state one of the following:

12 “(A) A prospective petition;

13 “(B) A declaration of candidacy;

14 “(C) A certificate of nomination; or

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

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

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

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

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

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

28 “[3] (4) The claim for tax credit shall be substantiated by submission,  
29 with the tax return, of official receipts of the candidate, agent, political  
30 party or committee thereof or political committee to whom contribution was

1 made.

2 **“SECTION 6a. The amendments to ORS 316.102 by section 6 of this**  
3 **2013 Act apply to tax years beginning on or after January 1, 2014.**

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

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

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

10 **“Sec. 19.** ORS 315.675 applies to tax years beginning on or after January  
11 1, 2002, and before January 1, [2014] **2020.**

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

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

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

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

21 **“(2)** A taxpayer who meets the eligibility requirements in ORS 315.613 for  
22 the tax year beginning on or after January 1, 2013, and before January 1,  
23 2014, shall be allowed the credit under ORS 315.613 for any tax year:

24 **“(a)** That begins on or before January 1, 2023; and

25 **“(b)** For which the taxpayer meets the eligibility requirements of ORS  
26 315.613.

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

28 **“315.613.** (1) A resident or nonresident individual certified as eligible un-  
29 der ORS 442.563, licensed under ORS chapter 677, who is engaged in the  
30 practice of medicine, and who [*has a rural practice that amounts to 60 percent*

1 *of the individual's practice,]* **is engaged for at least 20 hours per week,**  
2 **averaged over the month, during the tax year in a rural practice,** shall  
3 be allowed an annual credit against taxes otherwise due under [*this*  
4 *chapter*] **ORS chapter 316** in the sum of \$5,000 during the time in which the  
5 individual retains such practice and membership if the individual is actively  
6 practicing in and is a member of the medical staff of one of the following  
7 hospitals:

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

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

11 “(A) Not within the boundaries of a metropolitan statistical area;

12 “(B) Located 30 or more highway miles from the closest hospital within  
13 the major population center in a metropolitan statistical area; or

14 “(C) Located in a county with a population of less than 75,000;

15 “(c) A type C rural hospital, if the Office of Rural Health makes the  
16 findings required by ORS 315.619; [*or*]

17 “(d) **A rural hospital that was designated a rural referral center by**  
18 **the federal government before January 1, 1989, and that serves a**  
19 **community with a population of at least 14,000 but not more than**  
20 **19,000; or**

21 “[*d*] (e) A rural critical access hospital.

22 “(2) **In order to claim the credit allowed under this section, the in-**  
23 **dividual must remain willing during the tax year to serve patients with**  
24 **Medicare coverage and patients receiving medical assistance in at least**  
25 **the same proportion to the individual's total number of patients as the**  
26 **Medicare and medical assistance populations represent of the total**  
27 **number of persons determined by the Office of Rural Health to be in**  
28 **need of care in the county served by the practice, not to exceed 20**  
29 **percent Medicare patients or 15 percent medical assistance patients.**

30 “[*2*] (3) A nonresident **individual** shall be allowed the credit under this

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

5 “[3] (4) For purposes of this section, an ‘individual’s practice’ shall be  
6 determined on the basis of actual time spent in practice each week in hours  
7 or days, whichever is considered by the Office of Rural Health to be more  
8 appropriate. In the case of a shareholder of a corporation or a member of a  
9 partnership, only the time of the individual shareholder or partner shall be  
10 considered and the full amount of the credit shall be allowed to each share-  
11 holder or partner who qualifies in an individual capacity.

12 “[4] (5) As used in this section:

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

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

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

20 “315.616. A resident or nonresident individual who is certified as eligible  
21 under ORS 442.561, 442.562, 442.563 or 442.564, and is licensed as a physician  
22 or podiatric physician and surgeon under ORS chapter 677, licensed as a  
23 physician assistant under ORS chapter 677, licensed as a nurse practitioner  
24 under ORS chapter 678, licensed as a certified registered nurse anesthetist  
25 under ORS chapter 678, licensed as a dentist under ORS chapter 679 or li-  
26 censed as an optometrist under ORS 683.010 to 683.340 is entitled to the tax  
27 credit described in ORS 315.613 even if not a member of the hospital medical  
28 staff if the Office of Rural Health certifies that the individual:

29 “[1] *Has a rural practice that amounts to 60 percent of the individual’s*  
30 *practice; and]*

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

3       “(2)(a) If a physician or a physician assistant, can cause a patient to be  
4 admitted to the hospital;

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

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

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

15       “**NOTE:** Sections 14 and 15 were deleted by amendment. Subsequent  
16 sections were not renumbered.

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

19       “**Sec. 66.** ORS 315.622 applies to tax credit certifications issued by the  
20 Office of Rural Health on or after January 1, 2006, and before January 1,  
21 [2014] 2020.

22       “**SECTION 17.** Section 24, chapter 913, Oregon Laws 2009, is amended to  
23 read:

24       “**Sec. 24.** Except as provided in ORS 315.237 (6), a credit may not be  
25 claimed under ORS 315.237 for tax years beginning on or after January 1,  
26 [2014] 2020.

27       “**SECTION 18.** Section 28, chapter 913, Oregon Laws 2009, is amended to  
28 read:

29       “**Sec. 28.** Except as provided in ORS 315.164 (8), a credit may not be  
30 claimed under ORS 315.164 for tax years beginning on or after January 1,

1 [2014] 2020.

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

3 “315.163. As used in ORS 315.163 to 315.172:

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

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

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

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

13 “(b) Handling of agricultural or aquacultural crops or products in  
14 an unprocessed stage;

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

16 “(d) Planting, cultivating or harvesting of seasonal agricultural  
17 crops; or

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

22 “(3) ‘Agriculture workforce housing’ means housing:

23 “(a) Limited to occupancy by agricultural workers, including agri-  
24 cultural workers who are retired or disabled, and their immediate  
25 families; and

26 “(b) No dwelling unit of which is occupied by a relative of the owner  
27 or operator of the agriculture workforce housing, except in the case  
28 of a manufactured dwelling in a manufactured dwelling park nonprofit  
29 cooperative as defined in ORS 62.803.

30 “(4) ‘Agriculture workforce housing project’ means the acquisition,

1 **construction, installation or rehabilitation of agriculture workforce**  
2 **housing.**

3 “[2] (5) ‘Condition of habitability’ means a condition that is in compli-  
4 ance with:

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

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

9 “[3] (6) ‘Contributor’ means a person:

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

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

15 “[4] (7) ‘Eligible costs’ includes acquisition costs, finance costs, con-  
16 struction costs, excavation costs, installation costs and permit costs and ex-  
17 cludes land costs.

18 “[5] ‘Farmworker’ means any person who, for an agreed remuneration or  
19 rate of pay, performs temporary or permanent labor for another in the:]

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

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

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

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

26 “[*(e) Forestation or reforestation of lands, including but not limited to the*  
27 *planting, transplanting, tubing, precommercial thinning and thinning of trees*  
28 *and seedlings, the clearing, piling and disposal of brush and slash and other*  
29 *related activities.*]

30 “[6] ‘Farmworker housing’ means housing:]

1       “(a) Limited to occupancy by farmworkers, including farmworkers who are  
2 retired or disabled, and their immediate families; and]

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

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

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

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

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

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

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

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

21       “315.164. (1) A taxpayer who is the owner or operator of [farmworker]  
22 **agriculture workforce** housing is allowed a credit against the taxes other-  
23 wise due under ORS chapter 316, if the taxpayer is a resident individual, or  
24 against the taxes otherwise due under ORS chapter 317, if the taxpayer is a  
25 corporation. The total amount of the credit shall be equal to 50 percent of  
26 the eligible costs actually paid or incurred by the taxpayer to complete [a  
27 farmworker] **an agriculture workforce** housing project, to the extent the  
28 eligible costs actually paid or incurred by the taxpayer do not exceed the  
29 estimate of eligible costs approved by the Housing and Community Services  
30 Department under ORS 315.167.

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

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

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

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

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

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

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

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

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

30 “(B) Files with the Department of Revenue an annual certification pro-

1 viding that all occupied units for which credit is being claimed are occupied  
2 by [*farmworkers, including farmworkers*] **agricultural workers, including**  
3 **agricultural workers** who are retired or disabled, and their immediate  
4 families.

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

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

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

27 “(9)(a) The credit provided by this section is not in lieu of any depreci-  
28 ation or amortization deduction for the **agriculture workforce housing**  
29 project to which the taxpayer otherwise may be entitled under ORS chapter  
30 316 or 317 for the year.

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

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

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

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

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

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

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

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

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

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

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

26 “(iii) After occupancy and if an indorsement is required, the  
27 [*farmworker*] **agriculture workforce** housing is not operated by a person  
28 who holds a valid indorsement as a farmworker camp operator under ORS  
29 658.730; or

30 “(iv) The taxpayer has failed to make a showing that the housing con-

1 tinues to be operated as [*farmworker*] **agriculture workforce** housing as  
2 required under subsection (4)(a) of this section and the taxpayer has not been  
3 granted a waiver by the Housing and Community Services Department under  
4 subsection (4)(b) of this section.

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

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

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

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

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

1 prorated or computed in a manner consistent with ORS 314.085.

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

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

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

8 “315.167. (1) Prior to the completion of [*a farmworker*] **an agriculture**  
9 **workforce** housing project for which credit under ORS 315.164 will be  
10 claimed, an owner or operator of [*farmworker*] **agriculture workforce**  
11 housing shall apply to the Housing and Community Services Department for  
12 a letter of credit approval.

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

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

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

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

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

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

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

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

30 “(3) The Housing and Community Services Department may review appli-

1 cations using any reasonable system of prioritizing review established by  
2 department rule.

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

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

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

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

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

27 “(7) Notwithstanding that a letter of credit approval has been issued to  
28 a taxpayer under this section, the Department of Revenue may disallow, in  
29 whole or in part, a claim for credit under ORS 315.164 upon the Department  
30 of Revenue’s determination that under the provisions of ORS 315.164 the

1 taxpayer is not entitled to the credit or is only entitled to a portion of the  
2 amount claimed.

3 **“SECTION 22.** ORS 315.169 is amended to read:

4 “315.169. (1) A taxpayer that is a contributor is allowed a credit against  
5 the taxes otherwise due under ORS chapter 316, if the taxpayer is a resident  
6 individual, or ORS chapter 317, if the taxpayer is a corporation, to the extent  
7 the owner or operator of [*farmworker*] **agriculture workforce** housing  
8 transferred all or a portion of the credit allowed to the owner or operator  
9 under ORS 315.164.

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

15 “(3) To receive a credit under this section:

16 “(a) The contributor must obtain a letter of credit approval from the  
17 Housing and Community Services Department under ORS 315.167; or

18 “(b) If the owner or operator of [*farmworker*] **agriculture workforce**  
19 housing elects to transfer all or a portion of the credit allowed under ORS  
20 315.164 after the date that a letter of credit approval has been issued to the  
21 owner or operator, the owner or operator and the contributor must jointly  
22 file a statement with the Department of Revenue stating the portion of the  
23 credit the contributor is allowed to claim and any other information the de-  
24 partment may require by rule.

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

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

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

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

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

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

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

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

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

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

29 “(b) The credit allowed in any one tax year may not exceed 20 percent  
30 of the amount determined under subsection (2) of this section that was

1 transferred to the contributor claiming the credit.

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

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

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

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

30 “(c) If a change in the status of a taxpayer from resident to nonresident

1 or from nonresident to resident occurs, the credit allowed by this section  
2 shall be determined in a manner consistent with ORS 316.117.

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

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

6 “315.172. Upon an order of the disallowance of a credit for [*farmworker*]  
7 **agriculture workforce** housing under ORS 315.164 (11) or 315.169 (5), the  
8 Department of Revenue immediately shall collect any taxes due by reason  
9 of the disallowance and shall have the benefit of all the laws of this state  
10 pertaining to the collection of income and excise taxes. An assessment of the  
11 taxes is not necessary and a statute of limitation shall not preclude the  
12 collection of the taxes.

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

14 “317.147. (1) As used in this section:

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

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

22 “(2)(a) A lending institution shall be allowed a credit against the taxes  
23 otherwise due under this chapter for the tax year equal to 50 percent of the  
24 interest income earned during the tax year on loans to finance only costs  
25 directly associated with construction or rehabilitation of [*farmworker*] **agri-**  
26 **culture workforce** housing if, at the time the loan is made, the borrower  
27 certifies, to the satisfaction of the lender, that upon completion of the con-  
28 struction or rehabilitation and first occupation by [*farmworkers*] **agricul-**  
29 **tural workers**, the housing will comply with all occupational safety or  
30 health laws, rules, regulations and standards applicable for [*farmworker*]

1 **agriculture workforce** housing and that the housing will be occupied only  
2 by [*farmworkers*] **agricultural workers** and their immediate families.

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

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

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

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

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

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

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

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

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

26 “(b) A lending institution may assign, sell or otherwise transfer the loan  
27 to another person and retain the right to claim the credit granted under this  
28 section if the lending institution also retains responsibility for servicing the  
29 loan.

30 “(c)(A) A lending institution that is not subject to taxation under this

1 chapter may sell or otherwise transfer the credit allowed to the lending in-  
2 stitution under this section to a taxpayer that is subject to taxation under  
3 this chapter.

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

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

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

10 “314.752. (1) Except as provided in ORS 314.740 (5)(b), the tax credits al-  
11 lowed or allowable to a C corporation for purposes of ORS chapter 317 or  
12 318 shall not be allowed to an S corporation. The business tax credits al-  
13 lowed or allowable for purposes of ORS chapter 316 shall be allowed or are  
14 allowable to the shareholders of the S corporation.

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

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

27 “(4) If the shareholder is a nonresident and there is a requirement appli-  
28 cable for the business tax credit that in the case of a nonresident the credit  
29 be allowed in the proportion provided in ORS 316.117, then that provision  
30 shall apply to the nonresident shareholder.

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

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

22 “455.380. (1) Notwithstanding the provisions of ORS 455.148 and 455.150,  
23 the Department of Consumer and Business Services is the final authority in  
24 interpretation, execution and enforcement of state and municipal adminis-  
25 tration of building codes and rules with respect to construction of  
26 [*farmworker*] **agriculture workforce** housing as defined in ORS 315.163.

27 “(2) The department shall provide for a statewide uniform application and  
28 method of calculating permit fees for [*farmworker*] **agriculture workforce**  
29 housing as defined in ORS 315.163.

30 “(3) The department shall adopt rules to carry out the provisions of sub-

1 sections (1) and (2) of this section.

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

3 “456.508. As used in ORS 456.510 and 456.513:

4 “(1) ‘Accessible’ means that housing complies with federal accessibility  
5 guidelines implementing the Fair Housing Amendments Act of 1988, 42 U.S.C.  
6 3601 et seq., as amended and in effect on January 1, 2004.

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

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

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

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

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

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

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

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

27 “(c) A loan that qualifies the lending institution for a subsidized housing  
28 loan tax credit, as described in ORS 317.097;

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

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

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

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

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

9 “456.510. (1) Except as provided in this section and ORS 456.513, the  
10 Housing and Community Services Department may not provide funding for  
11 the development of new rental housing that is a subsidized development un-  
12 less:

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

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

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

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

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

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

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

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

27 “(b) For a development that has a shared community room or that has 20  
28 or more contiguous units, there is at least one powder room available for all  
29 tenants and guests that is accessible.

30 “(2) For a multistory structure without an elevator, this section applies

1 only to dwelling units on the ground floor of the structure.

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

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

5 “456.585. The Housing and Community Services Department shall serve  
6 as the primary state agency for [*farmworker housing*] information **about**  
7 **agriculture workforce housing as defined in ORS 315.163.** The depart-  
8 ment shall perform the following duties related to [*farmworker*] **agriculture**  
9 **workforce** housing information:

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

16 “(2) To the extent practicable, simplify the application process for funding  
17 [*farmworker*] **agriculture workforce** housing projects **as defined in ORS**  
18 **315.163.**

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

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

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

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

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

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

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

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

17 “566.340. Notwithstanding any other provisions of law, the funds and  
18 proceeds of the trust assets that are not authorized to be administered by the  
19 Secretary of Agriculture of the United States under the provisions of ORS  
20 566.330 shall be received by the Department of State Lands and by it depos-  
21 ited in the State Treasury in an account, separate and distinct from the  
22 General Fund. Interest earned by the account shall be credited to the ac-  
23 count. Moneys in the account are continuously appropriated to the Housing  
24 and Community Services Department and may be expended or obligated by  
25 the Housing and Community Services Department for the purposes of ORS  
26 566.330 or for [*farmworker*] **agriculture workforce** housing permissible un-  
27 der the charter of the now dissolved Oregon Rural Rehabilitation Corpo-  
28 ration.

29 **“SECTION 31.** The amendments to ORS 315.163, 315.164, 315.167,  
30 315.169, 315.172 and 317.147 by sections 19 to 24 of this 2013 Act apply

1 to tax years beginning on or after January 1, 2013.

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

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

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

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

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

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

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

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

25 **“SECTION 36.** Section 7, chapter 826, Oregon Laws 2005, as amended by  
26 section 21, chapter 906, Oregon Laws 2007, is amended to read:

27 **“Sec. 7.** Section 6, chapter 826, Oregon Laws 2005, applies to tax years  
28 beginning on or after January 1, 2006, and before January 1, [2014] 2020.

29 **“SECTION 37.** Section 10, chapter 826, Oregon Laws 2005, as amended  
30 by section 22, chapter 906, Oregon Laws 2007, is amended to read:

1       “**Sec. 10.** Section 9, chapter 826, Oregon Laws 2005, applies to tax years  
2 beginning on or after January 1, 2006, and before January 1, [2014] **2020.**

3       “**SECTION 38.** ORS 317.154 is amended to read:

4       “317.154. (1) A credit against taxes otherwise due under this chapter shall  
5 be allowed for qualified research expenses that exceed 10 percent of Oregon  
6 sales.

7       “(2) For purposes of this section:

8       “(a) ‘Oregon sales’ shall be computed using the laws and administrative  
9 rules for calculating the numerator of the Oregon sales factor under ORS  
10 314.665.

11       “(b) ‘Qualified research’ has the meaning given the term under section  
12 41(d) of the Internal Revenue Code and shall consist only of research con-  
13 ducted in Oregon.

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

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

19       “(5) The maximum credit under this section may not exceed \$1 million.

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

23       “~~[(6)]~~ (7) Any tax credit that is otherwise allowable under this section and  
24 that is not used by the taxpayer in that year may be carried forward and  
25 offset against the taxpayer’s tax liability for the next succeeding tax year.  
26 Any credit remaining unused in such next succeeding tax year may be car-  
27 ried forward and used in the second succeeding tax year, and likewise any  
28 credit not used in that second succeeding tax year may be carried forward  
29 and used in the third succeeding tax year, and any credit not used in that  
30 third succeeding tax year may be carried forward and used in the fourth

1 succeeding tax year, and any credit not used in that fourth succeeding tax  
2 year may be carried forward and used in the fifth succeeding tax year, but  
3 may not be carried forward for any tax year thereafter.

4 **“SECTION 39. The amendments to ORS 317.154 by section 38 of this**  
5 **2013 Act apply to tax years beginning on or after January 1, 2014.**

6 **“SECTION 40.** ORS 315.141, as amended by section 15, chapter 45, Oregon  
7 Laws 2012, is amended to read:

8 “315.141. (1) As used in this section:

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

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

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

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

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

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

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

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

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

25 “(C) Agricultural residues;

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

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

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

29 “(G) Wastewater solids; or

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

1 “(e) ‘Biomass’ does not mean wood that has been treated with creosote,  
2 pentachlorophenol, inorganic arsenic or other inorganic chemical compounds  
3 or waste, other than matter described in paragraph (d) of this subsection.

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

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

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

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

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

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

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

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

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

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

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

30 “(c) A taxpayer may be allowed a credit under this section for more than

1 one of the roles defined in subsection (1) of this section, but a biofuel pro-  
2 ducer that is not also an agricultural producer or a biomass collector may  
3 not claim a credit under this section.

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

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

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

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

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

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

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

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

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

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

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

3 “(9) 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, and any credit not used in that third suc-  
10 ceeding tax year may be carried forward and used in the fourth succeeding  
11 tax year, but may not be carried forward for any tax year thereafter.

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

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

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

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

22 **“SECTION 41. The amendments to ORS 315.141 by section 40 of this**  
23 **2013 Act apply to tax years beginning on or after January 1, 2014.**

24 **“SECTION 42.** ORS 315.521 is amended to read:

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

1 “(2) The total amount of the credit allowed to a taxpayer shall equal 60  
2 percent of the amount stated on the tax credit certificate. Except as provided  
3 in subsection (3) of this section, the amount of the credit allowed in any one  
4 tax year shall equal 20 percent of the amount actually contributed to the  
5 fund. **The credit shall be claimed in three consecutive tax years begin-**  
6 **ning with the year in which the credit is initially allowed.**

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

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

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

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

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

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

25 **“SECTION 43.** Section 27, chapter 913, Oregon Laws 2009, is amended to  
26 read:

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

30 **“SECTION 44.** ORS 173.025 is amended to read:

1 “173.025. (1) The Legislative Fiscal Officer, with the aid of the Oregon  
2 Department of Administrative Services, Legislative Revenue Officer, state  
3 agencies and affected local governmental units, including school districts,  
4 shall prepare a fiscal impact statement on each measure reported out of a  
5 committee of the Legislative Assembly that could have an effect on expend-  
6 itures of local governmental units, including school districts.

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

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

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

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

26 **“SECTION 45.** ORS 315.050 is amended to read:

27 **“315.050. (1) As used in this section, ‘tax expenditure’ has the  
28 meaning given that term in ORS 291.201.**

29 **“(2) Any tax credit enacted by the Legislative Assembly on or after Jan-  
30 uary 1, 2010, shall apply for a maximum of six tax years beginning with the**

1 initial tax year for which the credit is applicable, unless the Legislative  
2 Assembly expressly provides for another period of applicability.

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

8 **“SECTION 46.** Section 20, chapter 913, Oregon Laws 2009, as amended  
9 by section 4, chapter 730, Oregon Laws 2011, is amended to read:

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

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

14 **“SECTION 47.** ORS 316.502 is amended to read:

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

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

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

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

25 **“(b)** The refund payments in excess of tax liability authorized under ORS  
26 315.262 and 315.266 and section 17, chapter 906, Oregon Laws 2007, **and**  
27 **section 2, chapter 65, Oregon Laws 2012.**

28 **“SECTION 48.** ORS 284.367, as amended by section 15, chapter 730,  
29 Oregon Laws 2011, is amended to read:

30 **“284.367. (1)** The Oregon Production Investment Fund is established in the

1 State Treasury, separate and distinct from the General Fund. Interest earned  
2 by the Oregon Production Investment Fund shall be credited to the fund.

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

4 “(a) Amounts donated to the fund;

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

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

8 “(d) Interest earned by the fund.

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

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

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

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

16 “(4) Five percent of moneys in the fund are continuously appropriated to  
17 the department for the purpose of making reimbursements to local  
18 filmmakers **or local media production services companies** under ORS  
19 284.368 (3). **Total annual reimbursements to local media production**  
20 **services companies may not exceed five percent of the moneys depos-**  
21 **ited annually in the fund. On July 1 of each fiscal year, any moneys**  
22 **that remain unexpended or unallocated from the previous fiscal year**  
23 **may be used by the department for the purpose of making reimburse-**  
24 **ments to filmmakers under ORS 284.368 (2).**

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

26 **“SECTION 49.** ORS 284.368 is amended to read:

27 “284.368. (1) As used in this section:

28 “(a) ‘Actual Oregon expenses’ means the costs paid in Oregon for princi-  
29 pal photography, production or postproduction in Oregon of a film, **or for**  
30 **media production services**, including but not limited to the purchase or

1 rental cost of equipment, food, lodging, real property and permits and pay-  
2 ments made for salaries, wages and benefits for work in Oregon.

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

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

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

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

14 “(f) **‘Media production services’ includes postproduction services**  
15 **and interactive video game development. ‘Media production services’**  
16 **does not include the production of a commercial or one or more seg-**  
17 **ments of a newscast or sporting event.**

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

20 “[e)] (h) ‘Resident of this state’ has the meaning given that term in ORS  
21 316.027.

22 “(2)(a) The Oregon Business Development Department may reimburse a  
23 filmmaker for a portion of the actual Oregon expenses incurred by the  
24 filmmaker.

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

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

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

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

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

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

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

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

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

14 “(4) Reimbursement under this section shall be made from moneys cred-  
15 ited to or deposited in the Oregon Production Investment Fund during the  
16 biennium in which the actual Oregon expenses were paid or any prior  
17 biennium. A reimbursement may not be made to the extent funds are not  
18 available in the fund to make the reimbursement.

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

25 “(b) The office may charge the filmmaker **or local media production**  
26 **services company** for costs reasonably incurred to verify the actual Oregon  
27 expenses, including but not limited to the cost for a review or audit of the  
28 supporting documentation by an accountant or auditor. The office may re-  
29 quire the department to deduct the costs incurred by the office in performing  
30 its review or audit from any reimbursement made to the filmmaker **or local**

1 **media production services company** under this section.

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

4 **“SECTION 50.** ORS 315.514 is amended to read:

5 “315.514. (1) A credit against the taxes that are otherwise due under ORS  
6 chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317 or  
7 318, is allowed to a taxpayer for certified film production development con-  
8 tributions made by the taxpayer during the tax year to the Oregon Pro-  
9 duction Investment Fund established under ORS 284.367.

10 “(2)(a) The Department of Revenue shall, in cooperation with the Oregon  
11 Film and Video Office, conduct an auction of tax credits under this section.  
12 The department may conduct the auction in the manner that it determines  
13 is best suited to maximize the return to the state on the sale of tax credit  
14 certifications and shall announce a reserve bid prior to conducting the auc-  
15 tion. The reserve amount shall be at least 95 percent of the total amount of  
16 the tax credit. Moneys necessary to reimburse the department for the actual  
17 costs incurred by the department in administering an auction, not to exceed  
18 0.25 percent of auction proceeds, are continuously appropriated to the de-  
19 partment. The department shall deposit net receipts from the auction re-  
20 quired under this section in the Oregon Production Investment Fund.

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

23 “(A) Subject to paragraph (a) of this subsection, generate contributions  
24 for which tax credits of [~~\$6~~] **\$9.5** million are certified for each fiscal year;

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

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

30 “(3) Contributions made under this section shall be deposited in the

1 Oregon Production Investment Fund.

2 “(4)(a) Upon receipt of a contribution, the Oregon Film and Video Office  
3 shall, except as provided in ORS 315.516, issue to the taxpayer written cer-  
4 tification of the amount certified for tax credit under this section to the  
5 extent the amount certified for tax credit, when added to all amounts previ-  
6 ously certified for tax credit under this section, does not exceed [6] **\$9.5**  
7 million for the fiscal year in which certification is made.

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

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

16 “(6)(a) Except as provided in paragraph (b) of this subsection, a tax credit  
17 claimed under this section may not exceed the tax liability of the taxpayer  
18 and may not be carried over to another tax year.

19 “(b) Any tax credit otherwise allowable under this section that is not used  
20 by the taxpayer in a particular tax year may be carried forward and offset  
21 against the taxpayer’s tax liability for the next succeeding tax year. Any  
22 credit remaining unused in the next succeeding tax year may be carried  
23 forward and used in the second succeeding tax year, and likewise, any credit  
24 not used in that second succeeding tax year may be carried forward and used  
25 in the third succeeding tax year but may not be carried forward for any tax  
26 year thereafter.

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

30 “(7) If a tax credit is claimed under this section by a nonresident or

1 part-year resident taxpayer, the amount shall be allowed without proration  
2 under ORS 316.117.

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

7 **“SECTION 51. The amendments to ORS 284.367, 284.368 and 315.514**  
8 **by sections 48 to 50 of this 2013 Act apply to fiscal years beginning on**  
9 **or after July 1, 2013.**

10 **“SECTION 52. This 2013 Act takes effect on the 91st day after the**  
11 **date on which the 2013 regular session of the Seventy-seventh Legis-**  
12 **lative Assembly adjourns sine die.”.**

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