

**PRELIMINARY STAFF MEASURE SUMMARY**

**House Committee On Revenue**

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

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**Action Date:**

**Action:**

**Meeting Dates:**

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**WHAT THE MEASURE DOES:**

- Reorganizes statutes
- Moves the sunset date for the biomass tax credit four years from January 1, 2018 to January 1, 2022
- Requires the collector/producer to hold title to the biomass at the time of delivery
- Modifies certain tax credit rates and allows the Department of Energy to adjust the rates annually, up to a change of 25 percent
- Creates a pilot program for a tax credit based on energy production at bioenergy facilities
  - Biennial cap on tax credit of \$15M
  - Allows the transfer of the tax credit
  - Requires the Department of Energy to certify the tax credits
  - Grants rule-making authority to the department
  - Imposes a fee to pay for the administration of the pilot program
  - Applies to tax years 2016 through 2021

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

The existing tax credit for the production or collection of biomass was created in 2007. The biomass material must be sourced within Oregon and must be used as biofuel or to produce biofuels in Oregon. To claim the tax credit, taxpayers must be certified by the Department of Energy. The amount of the tax credit depends on the biomass material. According to the Tax Expenditure Report, roughly 200 taxpayers claimed the tax credit in 2012 with a total cost of \$3 million. The average credit for full-year filers was just under \$15,000.