

A-Engrossed
House Bill 3514

Ordered by the House April 24
Including House Amendments dated April 24

Sponsored by Representative BARRETO, Senator HANSELL, Representative HACK; Representatives BUEHLER, ESQUIVEL, HEARD, HUFFMAN, KRIEGER, POST, SMITH, WEIDNER, WHISNANT, WHITSETT, Senators BAERTSCHIGER JR, BOQUIST, FERRIOLI, GIROD, JOHNSON, KNOPP, OLSEN, ROBLAN, THOMSEN, WHITSETT

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Repeals sunset of tax credit for compensation for loss of livestock due to wolf depredation. Expands credit to include cost of nonlethal actions undertaken by taxpayer to minimize conflict between wolves and livestock or working dogs and compensation for above-normal loss to livestock attributed to wolf depredation. **Modifies provisions for confirmation of eligibility for credit.** Eliminates provision that disallows credit if State Fish and Wildlife Commission has removed wolf from list of endangered species. Increases maximum amount of total credits that may be certified by State Department of Fish and Wildlife for any tax year.

Applies to tax years beginning on or after January 1, 2015.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credit in compensation for wolf depredation; creating new provisions; amending ORS
3 315.174 and section 3, chapter 65, Oregon Laws 2012; and prescribing an effective date.

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

5 **SECTION 1.** ORS 315.174 is amended to read:

6 315.174. (1) As used in this section, "livestock" has the meaning given that term in ORS 610.150.

7 (2) A credit against taxes imposed under ORS chapter 316 (or, if the taxpayer is a corporation,
8 under ORS chapter 317 or 318) shall be allowed for:

9 (a) The current market value of any livestock that belongs to the taxpayer and that is killed
10 during the tax year by a wolf.];

11 (b) **Compensation, measured as current market value of lost livestock, for above-normal**
12 **loss to livestock attributed to wolf depredation within an area of known wolf activity, as**
13 **designated by the State Department of Fish and Wildlife; and**

14 (c) **The cost to the taxpayer of nonlethal actions undertaken by the taxpayer in an area**
15 **described in paragraph (b) of this subsection to minimize conflict between wolves and live-**
16 **stock or working dogs, as specified by the State Department of Fish and Wildlife.**

17 (3) In order to qualify for the credit allowed under this section, the taxpayer must obtain written
18 certification from the State Department of Fish and Wildlife as provided in subsection [(4)] (6) of this
19 section.

20 (4) **A taxpayer that claims a credit as provided in subsection (2)(b) or (c) of this section**
21 **must obtain:**

22 (a) **Written confirmation of eligibility from the State Department of Fish and Wildlife,**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **the United States Fish and Wildlife Service, the Wildlife Services Division of the United**
2 **States Department of Agriculture or the sheriff, or a deputy sheriff, of the county in which**
3 **the above-normal loss occurred or the nonlethal actions were undertaken; and**

4 **(b) Approval by a county program established under ORS 610.150.**

5 **(5) Counties that participate in programs established under ORS 610.150 shall provide a**
6 **list of approved taxpayers and corresponding amounts eligible for credits under this section**
7 **to the State Department of Fish and Wildlife.**

8 [(4)(a)] **(6)(a)** The State Department of Fish and Wildlife shall issue written certification to tax-
9 payers that are eligible to claim the credit allowed under this section. Before issuing a certification
10 [under this subsection] **for a credit as provided in subsection (2)(a) of this section**, the depart-
11 ment must possess evidence that the loss to a taxpayer's livestock is due to wolf depredation. The
12 evidence must include a finding by the department or by a peace officer, as defined in ORS 161.015,
13 that wolf depredation was the probable cause of the loss.

14 (b) The department may not issue certifications for more than [\$37,500] **\$150,000** in tax credits
15 for any tax year. The department shall issue certifications to taxpayers in the order in which com-
16 pleted applications for certification are received by the department.

17 [(5)] **(7)** A credit allowed under this section shall be reduced by any amount that a taxpayer has
18 already received as compensation for the killed livestock, including compensation pursuant to ORS
19 610.150.

20 [(6) A taxpayer may not claim a credit under this section for:]

21 [(a) Any tax year that ends after the date on which the State Fish and Wildlife Commission has,

22 by rule, removed the wolf from the list of endangered species established pursuant to ORS 496.172 (2);

23 or]

24 [(b) A loss to livestock killed after June 30, 2018.]

25 [(7)] **(8)** If the amount allowable as a credit under this section, when added to the sum of the
26 amounts allowable as payment of tax under ORS 316.187 (withholding), ORS 316.583 (estimated tax),
27 other tax prepayment amounts and other refundable credit amounts, exceeds the taxes imposed by
28 ORS chapters 314 and 316 for the tax year (reduced by any nonrefundable credits allowable for
29 purposes of ORS chapter 316 for the tax year), the amount of the excess shall be refunded to the
30 taxpayer as provided in ORS 316.502.

31 [(8)] **(9)** The credit shall be claimed on a form prescribed by the Department of Revenue that
32 contains the information required by the department.

33 [(9)] **(10)** Any tax credit otherwise allowable under this section that is not used by the taxpayer
34 in a particular tax year may be carried forward and offset against the taxpayer's tax liability for
35 the next succeeding tax year. Any credit remaining unused in the next succeeding tax year may be
36 carried forward and used in the second succeeding tax year, and likewise any credit not used in that
37 second succeeding tax year may be carried forward and used in the third succeeding tax year, but
38 may not be carried forward for any tax year thereafter.

39 [(10)] **(11)** In the case of a credit allowed under this section:

40 (a) A nonresident shall be allowed the credit in the proportion provided in ORS 316.117.

41 (b) If a change in the status of the taxpayer from resident to nonresident or from nonresident
42 to resident occurs, the credit shall be determined in a manner consistent with ORS 316.117.

43 (c) If a change in the taxable year of the taxpayer occurs as described in ORS 314.085, or if the
44 department terminates the taxpayer's taxable year under ORS 314.440, the credit shall be prorated
45 or computed in a manner consistent with ORS 314.085.

1 **SECTION 2.** Section 3, chapter 65, Oregon Laws 2012, is amended to read:

2 **Sec. 3.** [*Section 2 of this 2012 Act*] **Notwithstanding ORS 315.050, ORS 315.174** applies to tax
3 years beginning on or after January 1, 2012[, *and before January 1, 2019*].

4 **SECTION 3.** The amendments to ORS 315.174 by section 1 of this 2015 Act apply to tax
5 years beginning on or after January 1, 2015.

6 **SECTION 4.** This 2015 Act takes effect on the 91st day after the date on which the 2015
7 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.

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