

Senate Bill 799

Sponsored by Senator FERRIOLI

SUMMARY

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

Advances sunset for tax credit for film production.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to sunset of tax credit for film production; amending ORS 315.514 and section 77, chapter
3 736, Oregon Laws 2003; and prescribing an effective date.

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

5 **SECTION 1.** Section 77, chapter 736, Oregon Laws 2003, as amended by section 1, chapter 913,
6 Oregon Laws 2009, and section 17, chapter 730, Oregon Laws 2011, is amended to read:

7 **Sec. 77.** ORS 315.514 applies to tax years beginning on or after January 1, 2005, and before
8 January 1, [2018] **2016**, and to tax credit certifications issued by the Oregon Film and Video Office
9 on or after July 1, 2005, **and before July 1, 2015**.

10 **SECTION 2.** ORS 315.514 is amended to read:

11 315.514. (1) A credit against the taxes that are otherwise due under ORS chapter 316 or, if the
12 taxpayer is a corporation, under ORS chapter 317 or 318, is allowed to a taxpayer for certified film
13 production development contributions made by the taxpayer during the tax year to the Oregon
14 Production Investment Fund established under ORS 284.367.

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

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

25 (A) Subject to paragraph (a) of this subsection, generate contributions for which tax credits of
26 \$10 million are certified for each fiscal year;

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

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

31 (3) Contributions made under this section shall be deposited in the Oregon Production Invest-

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 ment Fund.

2 (4)(a) Upon receipt of a contribution, the Oregon Film and Video Office shall, except as provided
 3 in ORS 315.516, issue to the taxpayer written certification of the amount certified for tax credit
 4 under this section to the extent the amount certified for tax credit, when added to all amounts
 5 previously certified for tax credit under this section, does not exceed \$10 million for the fiscal year
 6 in which certification is made.

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

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

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

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

22 (c) A taxpayer is not eligible for a tax credit under this section if the first tax year for which
 23 the credit would otherwise be allowed begins on or after January 1, [2018] **2016**.

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

26 (8) If the amount of contribution for which a tax credit certification is made is allowed as a
 27 deduction for federal tax purposes, the amount of the contribution shall be added to federal taxable
 28 income for Oregon tax purposes.

29 **SECTION 3. This 2015 Act takes effect on the 91st day after the date on which the 2015**
 30 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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