

**PROPOSED AMENDMENTS TO
SENATE BILL 44**

1 In line 2 of the printed bill, after “contributions;” delete the rest of the
2 line and delete line 3 and insert “creating new provisions; amending ORS
3 315.521, 351.692, 351.697 and 353.445 and section 27, chapter 913, Oregon Laws
4 2009; and prescribing an effective date.”.

5 In line 8, delete “2022” and insert “2023”.

6 After line 8, insert:

7 **“SECTION 2.** ORS 315.521 is amended to read:

8 “315.521. (1) There shall be allowed a credit against the taxes that are
9 otherwise due under ORS chapter 316 or, if the taxpayer is a corporation,
10 under ORS chapter 317 or 318, for amounts contributed **in the tax year** to
11 a university venture development fund established under ORS 351.697, to the
12 extent the university that established the fund issued a tax credit certificate
13 to the taxpayer.

14 “(2) The total amount of the credit allowed to a taxpayer shall equal 60
15 percent of the amount stated on the tax credit certificate. *[Except as provided*
16 *in subsection (3) of this section, the amount of the credit allowed in any one*
17 *tax year shall equal 20 percent of the amount actually contributed to the fund.*
18 *The credit shall be claimed in three consecutive tax years beginning with the*
19 *year in which the credit is initially allowed.]*

20 “(3) The credit allowed under this section may not exceed [*\$50,000*]
21 **\$150,000** or the tax liability of the taxpayer for the tax year.

22 “(4) In the case of a credit allowed under this section for purposes of ORS

1 chapter 316:

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

5 “(b) If a change in the tax year of a taxpayer occurs as described in ORS
6 314.085 or if the Department of Revenue terminates the taxpayer’s tax year
7 under ORS 314.440, the credit shall be prorated or computed in a manner
8 consistent with ORS 314.085.

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

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

16 **“SECTION 3.** ORS 351.692 is amended to read:

17 “351.692. (1) The State Board of Higher Education shall adopt policies
18 that prescribe the requirements for a venture grant program and the re-
19 quirements that a grant applicant must meet in order to receive grant mon-
20 eys from a university venture development fund, including requirements:

21 “(a) That a grant recipient remain within this state for at least five years
22 following the receipt of a grant or repay the grant plus interest;

23 “(b) That each university that establishes a university venture develop-
24 ment fund report amounts of tax credit certificates issued by the university
25 and maintain records of income realized by the university as the result of
26 grants made from the fund and records of amounts paid to the General Fund;
27 and

28 “(c) Under which the Oregon University System is to maintain records
29 and issue directions to universities that have established university venture
30 development funds relating to when universities must cease issuing certif-

1 icates, in order to ensure that the total amount owed [*by the public univer-*
2 *sities listed in ORS 352.002*] to the General Fund at any one time under ORS
3 351.697 (6) does not exceed [~~\$6~~] **\$15** million.

4 “(2) The governing board of a public university with a governing board
5 listed in ORS 352.054 shall adopt a policy that prescribes the requirements
6 for a venture grant program and the requirements that a grant applicant
7 must meet in order to receive grant moneys from the university venture de-
8 velopment fund operated by the university, including requirements:

9 “(a) That a grant recipient remain within this state for at least five years
10 following the receipt of a grant or repay the grant plus interest;

11 “(b) That the university report amounts of tax credit certificates issued
12 by the university and cease issuing certificates until the total amount owed
13 [*by the public universities listed in ORS 352.002*] to the General Fund at any
14 one time under ORS 351.697 (6) does not exceed [~~\$6~~] **\$15** million; and

15 “(c) That the university maintain records of income realized by the uni-
16 versity as the result of grants made from the fund and records of amounts
17 paid to the General Fund.

18 “**SECTION 4.** ORS 353.445 is amended to read:

19 “353.445. The Oregon Health and Science University Board of Directors
20 shall adopt a policy that prescribes the requirements for a venture grant
21 program and the requirements that a grant applicant must meet in order to
22 receive grant moneys from the university venture development fund operated
23 by Oregon Health and Science University, including requirements:

24 “(1) That a grant recipient remain within this state for at least five years
25 following the receipt of a grant or repay the grant plus interest;

26 “(2) That the university report amounts of tax credit certificates issued
27 by the university and cease issuing certificates until the total amount owed
28 to the General Fund [*by the university*] at any one time under ORS 351.697
29 (6) does not exceed [~~\$2.4~~] **\$15** million; and

30 “(3) That the university maintain records of income realized by the uni-

1 versity as the result of grants made from the fund and records of amounts
2 paid to the General Fund.

3 **SECTION 5.** ORS 351.697 is amended to read:

4 “351.697. (1) Each university listed in ORS 352.002 and Oregon Health and
5 Science University may elect to establish a university venture development
6 fund as provided in this section for the purpose of facilitating the
7 commercialization of university research and development. A university shall
8 direct that the university venture development fund be administered, in
9 whole or in part, by the university or by the university’s affiliated founda-
10 tion.

11 “(2) The purposes of a university venture development fund are to provide:

12 “(a) Capital for university entrepreneurial programs;

13 “(b) Opportunities for students to gain experience in applying research to
14 commercial activities;

15 “(c) Proof-of-concept funding for transforming research and development
16 concepts into commercially viable products and services;

17 “(d) Entrepreneurial opportunities for persons interested in transforming
18 research into viable commercial ventures that create jobs in this state; and

19 “(e) Tax credits for contributors to university research commercialization
20 activities.

21 “(3) Each university that elects to establish a university venture devel-
22 opment fund shall:

23 “(a) Notify the Department of Revenue of the establishment of the fund;

24 “(b) Either directly or through its affiliated foundation, solicit contribu-
25 tions to the fund and receive, manage and disburse moneys contributed to
26 the fund;

27 “(c) Subject to ORS 315.521 [(1)], 351.692 and 353.445 [(3)], issue tax credit
28 certificates to contributors to the fund in the amount of the contributions;

29 “(d) Establish a grant program that meets the requirements for a venture
30 grant program under policies adopted under ORS 351.692 by the State Board

1 of Higher Education or the governing board of a public university with a
2 governing board listed in ORS 352.054 or under policies adopted by the
3 Oregon Health and Science University Board of Directors under ORS 353.445;
4 [*and*]

5 “(e) Subject to available moneys from the fund, provide qualified grant
6 applicants with moneys for the purpose of facilitating the commercialization
7 of university research and development[.]; **and**

8 **“(f) In collaboration with other universities that have elected to**
9 **establish a university venture development fund under this section,**
10 **achieve an annual agreement for the allocation of the contribution**
11 **limit set out in ORS 351.692 and 353.445.**

12 “(4) Except as provided in subsection (5) of this section, moneys in a
13 university venture development fund shall be disbursed only as directed by
14 a university.

15 “(5) A university or its affiliated foundation may charge its customary
16 administrative assessment to manage its university venture development fund
17 in an amount not to exceed three percent of the fund’s average balance
18 during the fiscal year of the university or its affiliated foundation. The ad-
19 ministrative assessment may be paid from the assets in the fund. Except as
20 authorized by law, no other fees or indirect costs shall be charged against
21 the university venture development fund or any associated grants or other
22 disbursements from the fund.

23 “(6) A university that has established a university venture development
24 fund shall monitor the use of grants made from the fund and identify the
25 income realized by the university as the result of the use of the grants. In-
26 come consists of cash realized from royalties, milestone and license fee pay-
27 ments and cash from the sale of equity. The university shall cause the
28 transfer of 20 percent of the income realized from the grants to the General
29 Fund, but not to exceed the amount of the tax credits issued by the univer-
30 sity as a result of contributions to its university venture development fund.

1 Immediately upon deposit of the transferred amount into the General Fund,
2 the university may issue new tax credits to equal the transferred amount.

3 “(7) A university that has established a university venture development
4 fund shall report annually to the Legislative Assembly or, if the Legislative
5 Assembly is not in session, to the interim legislative committees on revenue.
6 The report shall be at the end of the fiscal year of the university or of its
7 affiliated foundation and provide information for that fiscal year. The uni-
8 versity shall include in the report the following information pertaining to its
9 university venture development fund:

10 “(a) The amount of donations received for the fund;

11 “(b) The amount of income received from the fund;

12 “(c) The amount of disbursements and grants paid from the fund;

13 “(d) The amount of income and royalties received from disbursements
14 from the fund; and

15 “(e) The amount of moneys transferred from the fund to the General Fund.

16 **“SECTION 6. The amendments to ORS 315.521, 351.692, 351.697 and**
17 **353.445 by sections 2 to 5 of this 2015 Act apply to tax years beginning**
18 **on or after January 1, 2016.**

19 **“SECTION 7. This 2015 Act takes effect on the 91st day after the**
20 **date on which the 2015 regular session of the Seventy-eighth Legisla-**
21 **tive Assembly adjourns sine die.”.**

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