

**PROPOSED AMENDMENTS TO
HOUSE BILL 2569**

1 On page 1 of the printed bill, line 9, delete “2023” and insert “2024”.

2 Delete lines 10 through 29 and delete pages 2 through 4 and insert:

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

4 “315.521. (1) There shall be allowed a credit against the taxes that are
5 otherwise due under ORS chapter 316 or, if the taxpayer is a corporation,
6 under ORS chapter 317 or 318, for amounts **not to exceed \$1 million per**
7 **taxpayer per tax year that are** contributed **in the tax year** to a university
8 venture development fund established under ORS 351.697, to the extent the
9 university that established the fund issued a tax credit certificate to the
10 taxpayer.

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

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

19 “(4) **Any tax credit otherwise allowable under this section which is**
20 **not used by the taxpayer in a particular year may be carried forward**
21 **and offset against the taxpayer’s tax liability for the next succeeding**
22 **tax year. Any credit remaining unused in such next succeeding tax**

1 year may be carried forward and used in the second succeeding tax
2 year, and likewise, any credit not used in that second succeeding tax
3 year may be carried forward and used in the third succeeding tax year,
4 but may not be carried forward for any tax year thereafter.

5 “[4] (5) In the case of a credit allowed under this section for purposes
6 of ORS chapter 316:

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

10 “(b) If a change in the tax year of a taxpayer occurs as described in ORS
11 314.085 or if the Department of Revenue terminates the taxpayer’s tax year
12 under ORS 314.440, the credit shall be prorated or computed in a manner
13 consistent with ORS 314.085.

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

17 “[5] (6) A taxpayer claiming a credit under this section shall add to
18 federal taxable income for Oregon tax purposes any amount that is deducted
19 for federal tax purposes and that also serves as the basis for the credit al-
20 lowed under this section.

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

22 “351.692. (1) The State Board of Higher Education shall adopt policies
23 that prescribe the requirements for a venture grant program and the re-
24 quirements that a grant applicant must meet in order to receive grant mon-
25 eys from a university venture development fund, including requirements:

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

28 “(b) That each university that establishes a university venture develop-
29 ment fund report amounts of tax credit certificates issued by the university
30 and maintain records of income realized by the university as the result of

1 grants made from the fund and records of amounts paid to the General Fund;
2 and

3 “(c) Under which the Oregon University System is to maintain records
4 and issue directions to universities that have established university venture
5 development funds relating to when universities must cease issuing certif-
6 icates, in order to ensure that the total amount owed [*by the public univer-*
7 *sities listed in ORS 352.002*] to the General Fund at any one time under ORS
8 351.697 (6) does not exceed [~~\$6~~] **\$25** million.

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

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

16 “(b) That the university report amounts of tax credit certificates issued
17 by the university and cease issuing certificates until the total amount owed
18 [*by the public universities listed in ORS 352.002*] to the General Fund at any
19 one time under ORS 351.697 (6) does not exceed [~~\$6~~] **\$25** million; and

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

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

24 “353.445. The Oregon Health and Science University Board of Directors
25 shall adopt a policy that prescribes the requirements for a venture grant
26 program and the requirements that a grant applicant must meet in order to
27 receive grant moneys from the university venture development fund operated
28 by Oregon Health and Science University, including requirements:

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

1 “(2) That the university report amounts of tax credit certificates issued
2 by the university and cease issuing certificates until the total amount owed
3 to the General Fund [*by the university*] at any one time under ORS 351.697
4 (6) does not exceed [~~\$2.4~~] **\$25** million; and

5 “(3) That the university maintain records of income realized by the uni-
6 versity as the result of grants made from the fund and records of amounts
7 paid to the General Fund.

8 **“SECTION 5.** ORS 351.697 is amended to read:

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

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

17 “(a) Capital for university entrepreneurial programs;

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

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

22 “(d) Entrepreneurial opportunities for persons interested in transforming
23 research into viable commercial ventures that create jobs in this state[;
24 *and*].

25 “[*e*] *Tax credits for contributors to university research commercialization*
26 *activities.*]

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

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

30 “(b) Either directly or through its affiliated foundation, solicit contribu-

1 tions to the fund and receive, manage and disburse moneys contributed to
2 the fund;

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

5 “(d) Establish a grant program that meets the requirements for a venture
6 grant program under policies adopted under ORS 351.692 by the State Board
7 of Higher Education or the governing board of a public university with a
8 governing board listed in ORS 352.054 or under policies adopted by the
9 Oregon Health and Science University Board of Directors under ORS 353.445;
10 [and]

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

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

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

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

29 “(6) A university that has established a university venture development
30 fund shall monitor the use of grants made from the fund and identify the

1 income realized by the university as the result of the use of the grants. In-
2 come consists of cash realized from royalties, milestone and license fee pay-
3 ments and cash from the sale of equity. The university shall cause the
4 transfer of 20 percent of the income realized from the grants to the General
5 Fund, but not to exceed the amount of the tax credits issued by the univer-
6 sity as a result of contributions to its university venture development fund.
7 Immediately upon deposit of the transferred amount into the General Fund,
8 the university may issue new tax credits to equal the transferred amount.

9 “(7) [A university] **Not later than September 30 of each year the**
10 **Higher Education Coordinating Commission shall gather the informa-**
11 **tion described in this subsection from every university** that has estab-
12 lished a university venture development fund **and** shall report annually to
13 the Legislative Assembly or, if the Legislative Assembly is not in session,
14 to the interim legislative committees on revenue. The report shall [*be at the*
15 *end of the fiscal year of the university or of its affiliated foundation and*]
16 provide information for [*that*] **the previous** fiscal year. The [*university*]
17 **commission** shall include in the report the following information pertaining
18 to [*its*] university venture development [*fund*] **funds**:

19 “(a) The amount of donations received for the [*fund*] **funds**;

20 “(b) The amount of income received from the [*fund*] **funds**;

21 “(c) The amount of disbursements and grants paid from the [*fund*]
22 **funds**;

23 “(d) The amount of income and royalties received from disbursements
24 from the [*fund*] **funds**; and

25 “(e) The amount of moneys transferred from the [*fund*] **funds** to the
26 General Fund.

27 **“SECTION 6. The amendments to ORS 315.521, 351.692, 351.697 and**
28 **353.445 by sections 2 to 5 of this 2015 Act apply to tax years beginning**
29 **on or after January 1, 2016.**

30 **“SECTION 7. This 2015 Act takes effect on the 91st day after the**

1 **date on which the 2015 regular session of the Seventy-eighth Legisla-**
2 **tive Assembly adjourns sine die.”.**

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