

**PROPOSED AMENDMENTS TO
HOUSE BILL 3344**

1 On page 1 of the printed bill, line 2, after the second semicolon delete the
2 rest of the line and insert “amending ORS 316.116; and prescribing an effec-
3 tive date.”.

4 Delete lines 4 through 31 and delete pages 2 through 5 and insert:

5 **“SECTION 1. ORS 316.116 is amended to read:**

6 “316.116. (1)(a) A resident individual shall be allowed a credit against the
7 taxes otherwise due under this chapter for costs paid or incurred for con-
8 struction or installation of each of one or more alternative energy devices
9 in a dwelling.

10 “(b) A resident individual shall be allowed a credit against the taxes
11 otherwise due under this chapter for costs paid or incurred to modify or
12 purchase an alternative fuel vehicle or related equipment.

13 “(c) A credit against the taxes otherwise due under this chapter is not
14 allowed for an alternative energy device that does not meet or exceed all
15 applicable federal, state and local requirements for energy efficiency, in-
16 cluding equipment codes, the state building code, specialty codes and any
17 other standards.

18 “(2)(a) In the case of a category one alternative energy device that is not
19 an alternative fuel device, the credit shall be based upon the first year en-
20 ergy yield of the alternative energy device that qualifies under ORS 469B.100
21 to 469B.118. The amount of the credit shall be the same whether for collec-
22 tive or noncollective investment.

1 “(b) **Except as provided in paragraph (c) of this subsection**, the credit
2 allowed under this section for each category one alternative energy device
3 for each dwelling may not exceed the lesser of \$1,500 or the first year energy
4 yield in kilowatt hours per year multiplied by 60 cents per dwelling utilizing
5 the alternative energy device used for space heating, cooling, electrical en-
6 ergy or domestic water heating for tax years beginning on or after January
7 1, 1998.

8 “(c) **For each category one alternative energy device that uses solar**
9 **radiation for domestic water heating, the credit allowed under this**
10 **section shall be based upon 50 percent of the cost of the device or the**
11 **first year energy yield in kilowatt hours per year multiplied by \$2,**
12 **whichever is lower, up to \$6,000 for tax years beginning on or after**
13 **January 1, 2015. The State Department of Energy may by rule provide**
14 **for a lesser amount of incentive as market conditions warrant.**

15 “[(c)] (d) **Except as provided in paragraph (e) of this subsection**, for
16 each category one alternative energy device used for swimming pool, spa or
17 hot tub heating, the credit allowed under this section shall be based upon
18 50 percent of the cost of the device or the first [year’s] **year** energy yield in
19 kilowatt hours per year multiplied by 15 cents, whichever is lower, up to
20 \$1,500 for tax years beginning on or after January 1, 1998.

21 “(e) **For each category one alternative energy device that uses solar**
22 **radiation for swimming pool heating, the credit allowed under this**
23 **section shall be based upon 50 percent of the cost of the device or the**
24 **first year energy yield in kilowatt hours per year multiplied by 20**
25 **cents, whichever is lower, up to \$2,500 for tax years beginning on or**
26 **after January 1, 2015. The State Department of Energy may by rule**
27 **provide for a lesser amount of incentive as market conditions warrant.**

28 “[(d)] (f) For each alternative fuel device, the credit allowed under this
29 section is 25 percent of the cost of the alternative fuel device but the total
30 credit shall not exceed \$750 if the device is placed in service on or after

1 January 1, 1998.

2 **“(g) Notwithstanding paragraph (c) or (e) of this subsection, the**
3 **total amount of the credits allowed in any one tax year may not exceed**
4 **the tax liability of the taxpayer or \$1,500 for each alternative energy**
5 **device, whichever is less. Unused credit amounts may be carried for-**
6 **ward as provided in subsection (6) of this section, but may not be**
7 **carried forward to a tax year that is more than five tax years following**
8 **the first tax year for which any credit was allowed with respect to the**
9 **category one alternative energy device that is the basis for the credit.**

10 “[e)(A)] (h)(A) For each category two alternative energy device that is
11 a solar electric system or fuel cell system, the credit allowed under this
12 section may not exceed the lesser of \$3 per watt of installed output or \$6,000.
13 The State Department of Energy may by rule provide for a lesser amount of
14 incentive as market conditions warrant, taking into consideration factors
15 including the availability of bulk purchasing of alternative energy devices.

16 “(B) For each category two alternative energy device that is a wind
17 electric system, the credit allowed under this section may not exceed the
18 lesser of \$6,000 or the first year energy yield in kilowatt hours per year
19 multiplied by \$2.

20 “(C) Notwithstanding subparagraph (A) or (B) of this paragraph, the total
21 amount of the credits allowed in any one tax year may not exceed the tax
22 liability of the taxpayer or \$1,500 for each alternative energy device, which-
23 ever is less. Unused credit amounts may be carried forward as provided in
24 subsection (6) of this section, but may not be carried forward to a tax year
25 that is more than five tax years following the first tax year for which any
26 credit was allowed with respect to the category two alternative energy device
27 that is the basis for the credit.

28 “(D) Notwithstanding subparagraph (A) or (B) of this paragraph, the total
29 amount of the credit for each device allowed under this paragraph may not
30 exceed 50 percent of the total installed cost of the category two alternative

1 energy device.

2 “(3) To qualify for a credit under this section, all of the following are
3 required:

4 “(a) The alternative energy device must be purchased, constructed, in-
5 stalled and operated in accordance with ORS 469B.100 to 469B.118 and a
6 certificate issued thereunder.

7 “(b) The taxpayer who is allowed the credit must be the owner or contract
8 purchaser of the dwelling or dwellings served by the alternative energy de-
9 vice or the tenant of the owner or of the contract purchaser and must:

10 “(A) Use the dwelling or dwellings served by the alternative energy device
11 as a principal or secondary residence; or

12 “(B) Rent or lease, under a residential rental agreement, the dwelling or
13 dwellings to a tenant who uses the dwelling or dwellings as a principal or
14 secondary residence.

15 “(c) In the case of an alternative fuel device, unless the verification form
16 and certificate are transferred as authorized under ORS 469B.106 (9), the
17 taxpayer who is allowed the credit must be the contractor who constructs
18 the dwelling that incorporates the alternative fuel device into the dwelling
19 or installs the fueling station in the dwelling.

20 “(d) The credit must be claimed for the tax year in which the alternative
21 energy device was purchased if the device is operational by April 1 of the
22 next following tax year.

23 “(e) If the alternative fuel vehicle is a gasoline-electric hybrid vehicle not
24 designed for electric plug-in charging, it must be purchased before January
25 1, 2010.

26 “(4) The credit provided by this section does not affect the computation
27 of basis under this chapter.

28 “(5) The total credits allowed under this section in any one year may not
29 exceed the tax liability of the taxpayer.

30 “(6) Any tax credit otherwise allowable under this section that is not used

1 by the taxpayer in a particular year may be carried forward and offset
2 against the taxpayer's tax liability for the next succeeding tax year. Any
3 credit remaining unused in the next succeeding tax year may be carried
4 forward and used in the second succeeding tax year, and likewise any credit
5 not used in that second succeeding tax year may be carried forward and used
6 in the third succeeding tax year, and any credit not used in that third suc-
7 ceeding tax year may be carried forward and used in the fourth succeeding
8 tax year, and any credit not used in that fourth succeeding tax year may be
9 carried forward and used in the fifth succeeding tax year, but may not be
10 carried forward for any tax year thereafter.

11 “(7) A nonresident shall be allowed the credit under this section in the
12 proportion provided in ORS 316.117.

13 “(8) If a change in the taxable year of a taxpayer occurs as described in
14 ORS 314.085, or if the Department of Revenue terminates the taxpayer's
15 taxable year under ORS 314.440, the credit allowed by this section shall be
16 prorated or computed in a manner consistent with ORS 314.085.

17 “(9) If a change in the status of a taxpayer from resident to nonresident
18 or from nonresident to resident occurs, the credit allowed by this section
19 shall be determined in a manner consistent with ORS 316.117.

20 “(10) A husband and wife who file separate returns for a taxable year may
21 each claim a share of the tax credit that would have been allowed on a joint
22 return in proportion to the contribution of each. However, a husband or wife
23 living in a separate principal residence may claim the tax credit in the same
24 amount as permitted a single person.

25 “(11) As used in this section, unless the context requires otherwise:

26 “(a) ‘Collective investment’ means an investment by two or more taxpay-
27 ers for the acquisition, construction and installation of an alternative energy
28 device for one or more dwellings.

29 “(b) ‘Noncollective investment’ means an investment by an individual
30 taxpayer for the acquisition, construction and installation of an alternative

1 energy device for one or more dwellings.

2 “(c) ‘Taxpayer’ includes a transferee of a verification form under ORS
3 469B.106 (9).

4 “(12) Notwithstanding any provision of subsection (1) or (2) of this sec-
5 tion, the sum of the credit allowed under subsection (1) of this section plus
6 any similar credit allowed for federal income tax purposes may not exceed
7 the cost for the acquisition, construction and installation of the alternative
8 energy device.

9 **“SECTION 2. The amendments to ORS 316.116 by section 1 of this**
10 **2015 Act apply to alternative energy devices certified under ORS**
11 **469B.106 on or after September 1, 2015, and tax years beginning on or**
12 **after January 1, 2015.**

13 **“SECTION 3. This 2015 Act takes effect on the 91st day after the**
14 **date on which the 2015 regular session of the Seventy-eighth Legisla-**
15 **tive Assembly adjourns sine die.”.**

16
