

**PROPOSED AMENDMENTS TO
SENATE BILL 45**

1 On page 1 of the printed bill, line 2, after “credits;” delete the rest of the
2 line and insert “creating new provisions; amending ORS 285C.653, 315.529,
3 315.533 and 731.854; and prescribing an effective date.”.

4 On page 2, after line 35, insert:

5 **“SECTION 2.** ORS 315.529 is amended to read:

6 “315.529. As used in ORS 285C.650, 285C.653, 285C.656 and 315.529 to
7 315.536:

8 “(1) ‘Credit allowance date’ means, with respect to any qualified equity
9 investment:

10 “(a) The date on which the investment is initially made; and

11 “(b) Each of the six yearly anniversary dates after that initial date.

12 “(2) ‘Long-term debt security’ means any debt instrument issued by a
13 qualified community development entity, at par value or at a premium, with
14 an original maturity date of at least seven years from the date of its issu-
15 ance, with no acceleration of repayment, amortization or prepayment fea-
16 tures prior to its original maturity date.

17 “(3) ‘Purchase price’ means the amount of cash paid to a qualified com-
18 munity development entity for a qualified equity investment.

19 “(4) ‘Qualified active low-income community business’ has the meaning
20 given that term in section 45D of the Internal Revenue Code. ‘Qualified ac-
21 tive low-income community business’ does not include a business that derives
22 or projects to derive 15 percent or more of its annual revenue from the rental

1 or sale of real estate, unless the business is controlled by, or under common
2 control with, another business that:

3 “(a) Does not derive or project to derive 15 percent or more of its annual
4 gross revenues from the rental or sale of real estate; and

5 “(b) Is the primary tenant of real estate leased from the controlled busi-
6 ness.

7 “(5) ‘Qualified community development entity’ has the meaning given that
8 term in section 45D of the Internal Revenue Code, provided that the entity
9 has entered into, or is controlled by an entity that has entered into, an al-
10 location agreement with the Community Development Financial Institutions
11 Fund of the United States Department of the Treasury with respect to credits
12 authorized by section 45D of the Internal Revenue Code, and the State of
13 Oregon is included within the service area set forth in the allocation agree-
14 ment.

15 “(6) ‘Qualified equity investment’ means any equity investment in, or
16 long-term debt security issued by, a qualified community development entity,
17 that:

18 “(a) Is acquired at its original issuance solely in exchange for cash after
19 July 1, 2012, unless it was a qualified equity investment in the hands of a
20 prior holder; and

21 “(b) Has at least 85 percent of its cash purchase price used by the issuer
22 to make qualified low-income community investments in qualified active
23 low-income community businesses located in this state.

24 “(7) ‘Qualified low-income community investment’ means any:

25 “(a) Capital or equity investment in, or loan to, any qualified active
26 low-income community business; **or**

27 “(b) **Equity investment in, or loan to, an entity formed solely for**
28 **the purpose of combining credits allowable under ORS 315.533 and**
29 **credits allowable under section 45D of the Internal Revenue Code, but**
30 **only to the extent that the entity uses the proceeds of the investment**

1 or loan to make an equity investment in, or loan to, a qualified com-
2 munity development entity that uses the proceeds of the investment
3 or loan to make an equity investment in, or loan to, a qualified low-
4 income community business or to a third community development
5 entity that uses the proceeds to make an equity investment in, or loan
6 to, a qualified active low-income community business [*made after July*
7 *1, 2012*].

8 **“SECTION 3.** ORS 285C.653 is amended to read:

9 *“285C.653. [(1) Once the Oregon Business Development Department has*
10 *certified a cumulative amount of qualified equity investments that can result*
11 *in the utilization of \$16 million of tax credits in any tax year, the department*
12 *may not certify any more qualified equity investments under ORS 285C.650.*
13 *This limitation shall be based on the scheduled utilization of tax credits*
14 *without regard to the potential for taxpayers to carry forward tax credits to*
15 *later tax years.]*

16 **“(1) The Oregon Business Development Department may not issue,**
17 **in any calendar year, certifications under ORS 285C.650 in excess of \$13**
18 **million.**

19 **“(2) The department shall reserve 15 percent of the total amount of qual-**
20 **ified equity investments that receive certification under ORS 285C.650 for**
21 **investments in qualified active low-income community businesses that:**

22 **“(a) Have a primary purpose of improving the environment or reducing**
23 **emissions of greenhouse gases; or**

24 **“(b) Produce goods that directly reduce emissions of greenhouse gases or**
25 **are designed as environmentally sensitive replacements for products in cur-**
26 **rent use.**

27 **“(3) The department shall establish by rule procedures and criteria for**
28 **implementing the provisions of this section.**

29 **“SECTION 4. (1) The amendments to ORS 315.529 by section 2 of this**
30 **2015 Act apply to equity investments made on or after January 1, 2015.**

1 **“(2) The amendments to ORS 285C.653 by section 3 of this 2015 Act**
2 **apply to certifications issued under ORS 285C.650 on or after the ef-**
3 **fective date of this 2015 Act.**

4 **“SECTION 5.** ORS 731.854 is amended to read:

5 “731.854. (1) When by or pursuant to the laws of any other state or foreign
6 country any taxes, licenses and other fees, in the aggregate, and any fines,
7 penalties, deposit requirements or other material obligations, prohibitions
8 or restrictions are or would be imposed upon insurers domiciled in this state,
9 or upon the insurance producers or representatives of such insurers, which
10 are in excess of such taxes, licenses and other fees, in the aggregate, or
11 which are in excess of the fines, penalties, deposit requirements or other
12 obligations, prohibitions, or restrictions directly imposed upon similar
13 insurers, or upon the insurance producers or representatives of such insurers,
14 of such other state or country under the statutes of this state, so long as
15 such laws of such other state or country continue in force or are so applied,
16 the same taxes, licenses and other fees, in the aggregate, or fines, penalties
17 or deposit requirements or other material obligations, prohibitions, or re-
18 strictions of whatever kind shall be imposed by the Director of the Depart-
19 ment of Consumer and Business Services upon the insurers, or upon the
20 insurance producers or representatives of such insurers, of such other state
21 or country doing business or seeking to do business in this state. Any tax,
22 license or other fee or other obligation imposed by any city, county, or other
23 political subdivision or agency of such other state or country on insurers
24 domiciled in this state or their insurance producers or representatives shall
25 be deemed to be imposed by such state or country within the meaning of this
26 subsection.

27 “(2) Foreign reciprocal or interinsurance exchanges filing a consolidated
28 return for purposes of ORS chapter 317 shall prepare and file a separate in-
29 dividual retaliatory tax calculation. The excise tax for the consolidated
30 group shall be allocated for retaliatory tax purposes among the individual

1 foreign insurers writing Oregon premiums. The allocation, after excluding
2 the domestic share as determined by the Director of the Department of
3 Consumer and Business Services by rule, shall be in the proportion that the
4 premiums written in Oregon by a foreign insurer of the group bears to the
5 total premiums written in Oregon by all foreign insurers in the group writ-
6 ing premiums in Oregon.

7 “(3) This section does not apply as to personal income taxes, nor as to
8 local ad valorem taxes on real or personal property nor as to special purpose
9 obligations or assessments heretofore imposed by another state in connection
10 with particular classes of insurance, other than property insurance; except
11 that deductions, from premium taxes or other taxes otherwise payable, al-
12 lowed on account of real estate or personal property taxes paid shall be
13 taken into consideration by the director in determining the propriety and
14 extent of retaliatory action under this section.

15 “(4) For the purpose of applying this section to an alien insurer, its
16 domicile shall be determined in accordance with ORS 731.092 and 731.096.

17 “(5) For the purpose of applying this section to foreign and alien insurers,
18 the following specifically shall be treated as taxes imposed by this state:

19 “(a) The corporate excise tax imposed under ORS chapter 317, without
20 taking into consideration the amount of any reduction due to the credit al-
21 lowed under ORS 315.533.

22 “(b) The assessments imposed under ORS 731.804 made to support the
23 legislatively authorized budget of the Department of Consumer and Business
24 Services with respect to the functions of the department under the Insurance
25 Code.

26 “(c) The assessments paid by insurers on behalf of their insureds under
27 ORS 656.612.

28 **“(6) A foreign or alien insurer may elect to claim all or a portion**
29 **of any credit allowable under ORS 315.533 (3)(b) or (5) as a credit**
30 **against the amounts otherwise due under this section, up to the**

1 amount of the insurer's liability under this section. An amount
2 claimed under this subsection reduces the credit allowable to the
3 insurer under ORS 315.533. The total amount of credit claimed under
4 this subsection and under ORS 315.533 may not exceed the amount al-
5 lowed for the tax year under ORS 315.533 without regard to the limi-
6 tation described in ORS 315.533 (4).

7 **SECTION 6.** The amendments to ORS 731.854 by section 5 of this
8 2015 Act apply to tax years beginning on or after January 1, 2015, and
9 to reports pursuant to ORS 731.859 due on or after April 1, 2014.

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

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