

Requested by Representative BARNHART

**PROPOSED AMENDMENTS TO  
A-ENGROSSED SENATE BILL 1507**

1 On page 1 of the printed A-engrossed bill, line 2, after “305.792,” insert  
2 “315.141.”.

3 On page 11, delete lines 1 and 2 and insert:

4 “(b) Notwithstanding paragraph (a) of this subsection, for tax years be-  
5 ginning on or after January 1, 2018, a credit is not allowed for types of  
6 biomass listed in ORS 469B.403 (1) to (7), or for animal manure processed in  
7 a manure digester that is not in operation prior to July 1, 2016.”.

8 After line 21, insert:

9 **“SECTION 12a.** ORS 315.141 is amended to read:

10 “315.141. (1) As used in this section:

11 “(a) ‘Agricultural producer’ means a person that produces biomass in  
12 Oregon that is used, in Oregon, as biofuel or to produce biofuel.

13 “(b) ‘Biofuel’ means liquid, gaseous or solid fuels, derived from biomass,  
14 that have been converted into a processed fuel ready for use as energy by a  
15 biofuel producer’s customers or for direct biomass energy use at the biofuel  
16 producer’s site.

17 “(c) ‘Biofuel producer’ means a person that through activities in Oregon:

18 “(A) Alters the physical makeup of biomass to convert it into biofuel;

19 “(B) Changes one biofuel into another type of biofuel; or

20 “(C) Uses biomass in Oregon to produce energy.

21 “(d) ‘Biomass’ means organic matter that is available on a renewable or

1 recurring basis and that is derived from:

2 “(A) Forest or rangeland woody debris from harvesting or thinning con-  
3 ducted to improve forest or rangeland ecological health and reduce unchar-  
4 acteristic stand replacing wildfire risk;

5 “(B) Wood material from hardwood timber described in ORS 321.267 (3);

6 “(C) Agricultural residues;

7 “(D) Offal and tallow from animal rendering;

8 “(E) Food wastes collected as provided under ORS chapter 459 or 459A;

9 “(F) Wood debris collected as provided under ORS chapter 459 or 459A;

10 “(G) Wastewater solids; or

11 “(H) Crops grown solely to be used for energy.

12 “(e) ‘Biomass’ does not mean wood that has been treated with creosote,  
13 pentachlorophenol, inorganic arsenic or other inorganic chemical compounds  
14 or waste, other than matter described in paragraph (d) of this subsection.

15 “(f) ‘Biomass collector’ means a person that collects biomass in Oregon  
16 to be used, in Oregon, as biofuel or to produce biofuel.

17 “(g) ‘Canola’ means plants of the genus Brassica:

18 “(A) In which seeds having a high oil content are the primary econom-  
19 ically valuable product; and

20 “(B) That have a high erucic acid content suitable for industrial uses or  
21 a low erucic acid content suitable for edible oils.

22 “(h) ‘Oilseed processor’ means a person that receives agricultural oilseeds  
23 and separates them into meal and oil by mechanical or chemical means.

24 “(i) ‘Willamette Valley’ means Clackamas, Linn, Marion, Multnomah,  
25 Polk, Washington and Yamhill Counties and the portion of Benton and Lane  
26 Counties lying east of the summit of the Coast Range.

27 “(2) The Director of the State Department of Energy may adopt rules to  
28 define criteria, only as the criteria apply to organic biomass, to determine  
29 additional characteristics of biomass for purposes of this section.

30 “(3)(a) An agricultural producer or biomass collector shall be allowed a

1 credit against the taxes that would otherwise be due under ORS chapter 316  
2 or, if the taxpayer is a corporation, under ORS chapter 317 or 318 for:

3 “(A) The production of biomass in Oregon that is used, in Oregon, as  
4 biofuel or to produce biofuel; or

5 “(B) The collection of biomass in Oregon that is used, in Oregon, as  
6 biofuel or to produce biofuel.

7 “(b) A credit under this section may be claimed in the tax year in which  
8 the credit is certified under subsection (5) of this section.

9 “(c) A taxpayer may be allowed a credit under this section for more than  
10 one of the roles defined in subsection (1) of this section, but a biofuel pro-  
11 ducer that is not also an agricultural producer or a biomass collector may  
12 not claim a credit under this section.

13 “(d) A credit under this section may be claimed only once for each unit  
14 of biomass.

15 “(e) Notwithstanding paragraph (a) of this subsection, a tax credit:

16 “(A) Is not allowed for canola grown, collected or produced in the  
17 Willamette Valley; and

18 “(B) Is not allowed for grain corn, but a tax credit shall be allowed for  
19 other corn material.

20 “(4) The amount of the credit shall equal the amount certified under  
21 subsection (5) of this section.

22 “(5)(a) The State Department of Energy may establish by rule procedures  
23 and criteria for determining the amount of the tax credit to be certified un-  
24 der this section, consistent with ORS 469B.403. The department shall provide  
25 written certification to taxpayers that are eligible to claim the credit under  
26 this section.

27 “(b) **The total amount certified for tax credits for the processing**  
28 **of biomass that is animal manure may not exceed \$5 million for all**  
29 **taxpayers for the tax year in which the certification is made.**

30 “[b)] (c) The State Department of Energy may charge and collect a fee

1 from taxpayers for certification of credits under this section. The fee may  
2 not exceed the cost to the department of determining the amount of certified  
3 cost.

4 “[~~(c)~~] (d) The State Department of Energy shall provide to the Department  
5 of Revenue a list, by tax year, of taxpayers for which a credit is certified  
6 under this section, upon request of the Department of Revenue.

7 “(6) The amount of the credit claimed under this section for any tax year  
8 may not exceed the tax liability of the taxpayer.

9 “(7) Each agricultural producer or biomass collector shall maintain the  
10 written documentation of the amount certified for tax credit under this sec-  
11 tion in its records for a period of at least five years after the tax year in  
12 which the credit is claimed and provide the written documentation to the  
13 Department of Revenue upon request.

14 “(8) The credit shall be claimed on a form prescribed by the Department  
15 of Revenue that contains the information required by the department.

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

25 “(10) In the case of a credit allowed under this section:

26 “(a) A nonresident shall be allowed the credit under this section in the  
27 proportion provided in ORS 316.117.

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

