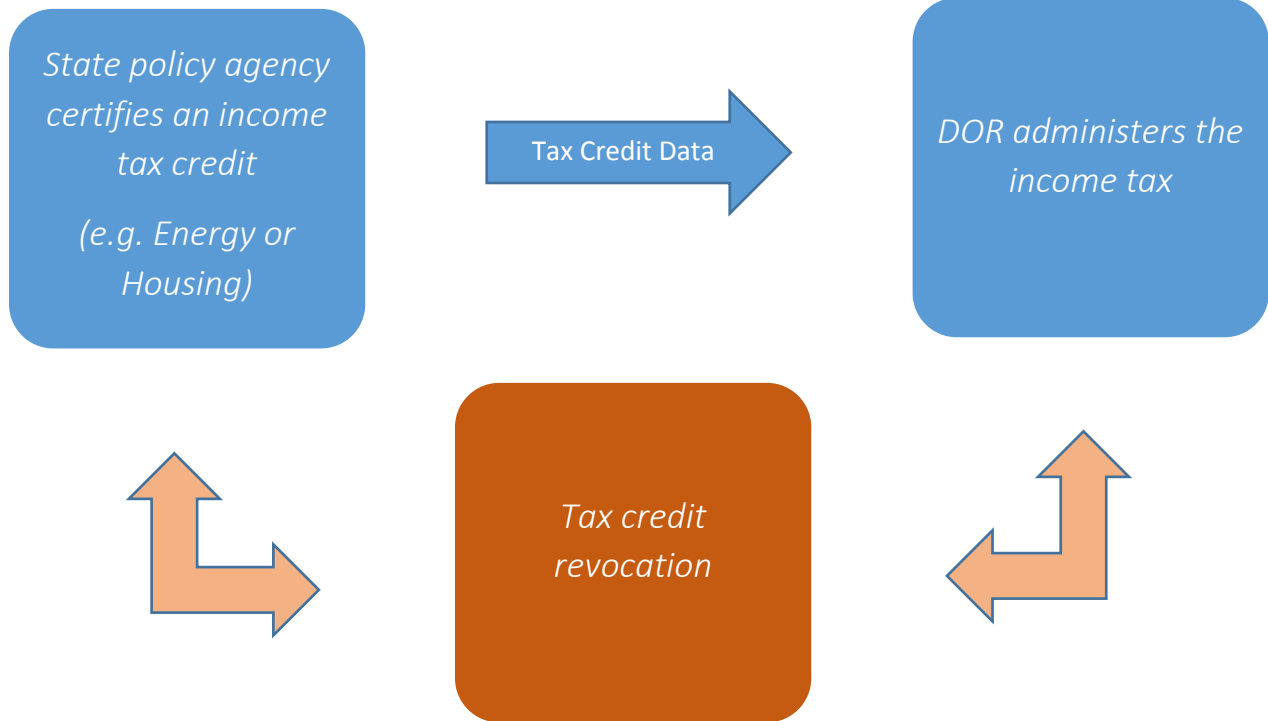


HB 2286 Conceptual Description:

Tax Credit Data and the DOR

(31 Active Tax Credits)



The intent of the bill is to:

1. Establish uniformity in the tax credit data received by DOR
2. Establish a uniform revocation process
3. Move all tax credit transfer responsibility to the DOR

The value of certification data includes:

1. Enhancing real-time tax compliance
2. Providing a basis for policy analysis, evaluation, and refinement

Issues NOT currently addressed include:

1. Changing specific tax credit policies
2. Changing tax credit transfer prices
3. Changing how non-DOR agencies administer tax credits

Active Tax Credits

Tax Credit	Review Session	Length (Years)	Carry-forward	Cert. Data	Revocable
<i>Certification Required</i>					
1.402 Employer Provided Scholarships	2019	1	5	Y	
1.405 Rural Medical Practice	2017	1	0	Y	
1.406 Volunteer Rural EMTs	2019	1	0	Y	
1.411 Agriculture Workforce Housing Construction	2017	5	9	Y	Y
1.431 Oregon Affordable Housing Lender's Credit	2017	1 to 20	5	Y	
1.435 Alternative Energy Devices (Residential) -- RETC	2017	1 or 4	5	Y	Y
1.439 Energy Conservation Projects	2017	1 or 5	5	Y	Y
1.440 Transportation Projects	2017	5	5	Y	Y
1.443 Production or Collection of Biomass	2017	1	4	Y	Y
1.448 Fish Screening Devices	2017	1	5	Y	
1.455 Oregon Veterans' Home Physician	2021	1	0	Y	
1.418 Long-term Rural Enterprise Zone	2017	5 to 15	5	M	
1.433 Crop Donations	2019	1	3	M	
1.453 Oregon Cultural Trust	2019	1	0	M	
<i>Donation Credits</i>					
1.422 Public University Venture Development Fund	2021	1	3	D	
1.428 Office of Child Care Contributions	2021	1	4	D	
1.429 Individual Development Account Contributions	2021	1	3	D	
<i>Auction Credits</i>					
1.414 Film Production Development Contributions	2021	1	3	A	
1.438 Renewable Energy Development Contributions	2017	1	3	A	
<i>No Certification Required</i>					
1.416/1.417 Qualified Research Activities	2017	1	5	N	
1.419 Reservation Enterprise Zone	2017	1	0	N	
1.420 Electronic Commerce Enterprise Zone	2017	1	5	N	
1.450 Fire Insurance	2017	1	0	N	
1.403 Earned Income Credit	2019	1	Refundable	N	
1.432 Mobile Home Park Closure	2019	1	Refundable	N	
1.452 Political Contributions	2019	1	0	N	
1.456 Certain Retirement Income	2019	1	0	N	
1.404 Child with a Disability	2021	1	0	N	
1.410 Severe Disability	2021	1	0	N	
1.425 Working Family Dependent Care	2021	1	Refundable	N	
1.451 Oregon Life and Health IGA Assessments	2021	5	0	N	
<i>Expired, but included in introduced bill</i>					
1.412 Farmworker Lender's		1 to 10	0	Y	
1.437 Business Energy Facilities (BETC)		5	8	Y	Y
1.415 Qualified Low-Income Community Investments		7	5	Y	Y

Potential Certification and Revocation Changes

1. Expand certification process and data collection to other tax credits
2. Expand revocation potential to all tax credits with a certification process

Tax Credit Transfers

Tax Credit	Review Session	Length (Years)	Carry-forward	Revocable	HB 2286 Section
Alternative Energy Devices (Residential) -- RETC	2017	1 or 4	5	Y	13
Energy Conservation Projects	2017	1 or 5	5	Y	16
Transportation Projects	2017	5	5	Y	18
Production or Collection of Biomass	2017	1	4	Y	7
Agriculture Workforce Housing Construction	2017	5	9	Y	9, 10
Oregon Affordable Housing Lender's Credit	2017	1 to 20	5		11 (limit)

1. Convert all tax credits to either a single year or collection of 1-year tax credits
 - a. For example, a 5-year tax credit would become 5 1-year tax credits
 - b. Should maximize dollars to tax credit earner
2. Timing of when they may be transferred
 - a. Allow transfer any single year portion
 - b. Disallow transfer of carryforwards
 - c. Allow or disallow multiple transfers
3. Treatment of taxable entities compared to tax exempt entities
 - a. Time constraint for certification to be valid
 - b. Role of the DOR in facilitating transfers

HB 2286: Section by Section Description

Section 1:

- Adds Sections 2-4 to ORS Chapter 315

Section 2 (Transfer Policy):

- DOR may require notification of tax credit transfer, including specific information
- Timing and other constraints regarding tax credit transfers

Section 3 (Certification Data):

- Allows DOR to require information from other state agencies regarding tax credits

Section 4 (Revocation Process):

- Establishes a uniform revocation process (based on biomass process)

Sections 5-6 (Conforming):

- Extends transfer limitation to RETC and Ag Worker Housing Construction
- Deletes biomass clawback (replaced by Section 4 revocation)

Sections 7-26 (Conforming change to tax credit statutes):

- Takes effect on the 91st day after sine die.

Tax Credit	Certification	Transfer	Revocation
Biomass	7	8	Current law (2016 SB 1507)
Ag Worker Construction	9, 10	10	Add
Affordable Housing	11	11, limit	Add
Farmworker Lender*	12	12	
RETC	13	13	
BETC*		14	Add
Conservation	16	15	Add
Transportation	18	17	Add
E-commerce	19 (delete)		
QLICI (New Markets)*	20		Add
Fish Screening	21		Add
Veterans Home Physician	22		
Office of Child Care	23		
Employer Scholarships	24		
Rural Medical Providers	25		
IDA Contributions	26		

*Expired tax credit

Section 27-29:

- Makes transfer changes effective January 1, 2018
- Captions
- Takes effect on the 91st day after sine die.