

# DRAFT

## SUMMARY

Establishes Oregon Renter Assistance Program for purpose of providing temporary rent subsidies to tenants of privately owned rental housing.

Creates Trust for Oregon Renter Assistance Account.

Creates tax credit for qualifying taxpayer that makes contribution to Trust for Oregon Renter Assistance Account.

Applies to tax years beginning on or after January 1, 2017.

Takes effect on 91st day after adjournment sine die.

1 **A BILL FOR AN ACT**

2 Relating to rent subsidies for privately owned rental housing; creating new  
3 provisions; amending ORS 314.752 and 318.031; and prescribing an effec-  
4 tive date.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1. (1) As used in this section, “privately owned rental**  
7 **housing” means rental housing that is owned by a private landlord and**  
8 **is not owned by a housing authority or other public entity.**

9 **(2) The Housing and Community Services Department shall develop**  
10 **and implement the Oregon Renter Assistance Program for the purpose**  
11 **of providing temporary rent subsidies to assist tenants of privately**  
12 **owned rental housing that are experiencing rent increases as the re-**  
13 **sult of changes in the housing market.**

14 **(3) The department shall contract with an Oregon nonprofit organ-**  
15 **ization exempt from taxation under section 501(c)(3) of the Internal**  
16 **Revenue Code that has experience and expertise in providing rental**  
17 **assistance to administer the program established under this section.**

18 **The nonprofit organization shall, at a minimum:**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.  
New sections are in **boldfaced** type.

1 (a) Conduct tenant eligibility screenings;

2 (b) Provide temporary monthly rent subsidies to tenants of pri-  
3 vately owned rental housing that are experiencing rent increases as  
4 the result of changes in the housing market;

5 (c) Execute agreements with landlords of eligible tenants to receive  
6 rent subsidy payments directly from the program; and

7 (d) Take any other action necessary to administer the program.

8 (4) The department shall adopt rules to develop and implement the  
9 program, including but not limited to:

10 (a) Establishing tenant eligibility criteria, including but not limited  
11 to guidelines for:

12 (A) Income requirements;

13 (B) Acceptable rental history; and

14 (C) Acceptable results of a criminal background check;

15 (b) Creating an application procedure for tenants that desire to  
16 participate in the program;

17 (c) Developing a method for determining whether an increase in  
18 rent is the result of changes in the housing market;

19 (d) Developing a process by which participating landlords may re-  
20 ceive rent subsidy payments directly from the program; and

21 (e) Establishing limitations for program participation, including but  
22 not limited to:

23 (A) Maximum subsidy amount per tenant; and

24 (B) Maximum number of subsidy payments a tenant may receive.

25 SECTION 2. (1) The Trust for Oregon Renter Assistance Account  
26 is established in the State Treasury, separate and distinct from the  
27 General Fund. Investment earnings, interest and other income earned  
28 by the Trust for Oregon Renter Assistance Account shall be credited  
29 to the account.

30 (2) All moneys in the Trust for Oregon Renter Assistance Account  
31 are appropriated continuously to the Housing and Community Services

1 Department for the Oregon Renter Assistance Program for the pur-  
2 poses of section 1 of this 2017 Act.

3 **SECTION 3.** Section 4 of this 2017 Act is added to and made a part  
4 of ORS chapter 315.

5 **SECTION 4.** (1) As used in this section, “qualifying taxpayer” means  
6 a taxpayer that is required to pay the alternative minimum tax under  
7 section 55 of the Internal Revenue Code.

8 (2) A credit against the taxes that are otherwise due under ORS  
9 chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317  
10 or 318, is allowed to a qualifying taxpayer that makes a contribution  
11 during the tax year to the Trust for Oregon Renter Assistance Account  
12 established under section 2 of this 2017 Act.

13 (3) The credit is allowable under this section only to the extent the  
14 taxpayer has contributed an equal amount to the Oregon nonprofit  
15 organization selected by the Housing and Community Services De-  
16 partment under section 1 of this 2017 Act during the tax year.

17 (4) The amount of the credit shall equal 100 percent of the amount  
18 contributed to the Trust for Oregon Renter Assistance Account.

19 (5) For each tax year in which a credit is claimed under this section,  
20 the taxpayer shall maintain records sufficient to determine the  
21 taxpayer’s contribution to the Trust for Oregon Renter Assistance  
22 Account. The taxpayer shall maintain the records required under this  
23 subsection for at least five years.

24 (6) Any tax credit otherwise allowable under this section that is not  
25 used by the taxpayer in a particular tax year may be carried forward  
26 and offset against the taxpayer’s tax liability for the next succeeding  
27 tax year. Any credit remaining unused in the next succeeding tax year  
28 may be carried forward and used in the second succeeding tax year,  
29 and likewise, any credit not used in that second succeeding tax year  
30 may be carried forward and used in the third succeeding tax year but  
31 may not be carried forward for any tax year thereafter.

1 (7) The credit allowed under this section is in addition to any  
2 charitable contribution deduction allowable to the taxpayer for any  
3 contribution described in subsection (3) of this section.

4 (8) A nonresident taxpayer shall be allowed the credit under this  
5 section. The credit shall be computed in the same manner and be  
6 subject to the same limitations as the credit granted to a resident  
7 taxpayer. However, the credit shall be prorated using the proportion  
8 provided in ORS 316.117.

9 (9) If a change in the status of a taxpayer from resident to non-  
10 resident or from nonresident to resident occurs, the credit allowed by  
11 this section shall be determined in a manner consistent with ORS  
12 316.117.

13 (10) Spouses in a marriage who file separate returns for a taxable  
14 year may each claim a share of the tax credit that would have been  
15 allowed on a joint return in proportion to the adjusted gross income  
16 of each.

17 **SECTION 5.** ORS 314.752 is amended to read:

18 314.752. (1) Except as provided in ORS 314.740 (5)(b), the tax credits al-  
19 lowed or allowable to a C corporation for purposes of ORS chapter 317 or  
20 318 shall not be allowed to an S corporation. The business tax credits al-  
21 lowed or allowable for purposes of ORS chapter 316 shall be allowed or are  
22 allowable to the shareholders of the S corporation.

23 (2) In determining the tax imposed under ORS chapter 316, as provided  
24 under ORS 314.734, on income of the shareholder of an S corporation, there  
25 shall be taken into account the shareholder's pro rata share of business tax  
26 credit (or item thereof) that would be allowed to the corporation (but for  
27 subsection (1) of this section) or recapture or recovery thereof. The credit (or  
28 item thereof), recapture or recovery shall be passed through to shareholders  
29 in pro rata shares as determined in the manner prescribed under section  
30 1377(a) of the Internal Revenue Code.

31 (3) The character of any item included in a shareholder's pro rata share

1 under subsection (2) of this section shall be determined as if such item were  
 2 realized directly from the source from which realized by the corporation, or  
 3 incurred in the same manner as incurred by the corporation.

4 (4) If the shareholder is a nonresident and there is a requirement appli-  
 5 cable for the business tax credit that in the case of a nonresident the credit  
 6 be allowed in the proportion provided in ORS 316.117, then that provision  
 7 shall apply to the nonresident shareholder.

8 (5) As used in this section, "business tax credit" means a tax credit  
 9 granted to personal income taxpayers to encourage certain investment, to  
 10 create employment, economic opportunity or incentive or for charitable, ed-  
 11 ucational, scientific, literary or public purposes that is listed under this  
 12 subsection as a business tax credit or is designated as a business tax credit  
 13 by law or by the Department of Revenue by rule and includes but is not  
 14 limited to the following credits: ORS 285C.309 (tribal taxes on reservation  
 15 enterprise zones and reservation partnership zones), ORS 315.104 (forestation  
 16 and reforestation), ORS 315.138 (fish screening, by-pass devices, fishways),  
 17 ORS 315.141 (biomass production for biofuel), ORS 315.156 (crop gleaning),  
 18 ORS 315.164 and 315.169 (agriculture workforce housing), ORS 315.204 (de-  
 19 pendent care assistance), ORS 315.208 (dependent care facilities), ORS 315.213  
 20 (contributions for child care), ORS 315.304 (pollution control facility), ORS  
 21 315.326 (renewable energy development contributions), ORS 315.331 (energy  
 22 conservation projects), ORS 315.336 (transportation projects), ORS 315.341  
 23 (renewable energy resource equipment manufacturing facilities), ORS 315.354  
 24 and 469B.151 (energy conservation facilities), ORS 315.507 (electronic com-  
 25 merce) and ORS 315.533 (low income community jobs initiative) **and section**  
 26 **4 of this 2017 Act (contributions to the Trust for Oregon Renter As-**  
 27 **sistance Account).**

28 **SECTION 6.** ORS 318.031 is amended to read:

29 318.031. It being the intention of the Legislative Assembly that this  
 30 chapter and ORS chapter 317 shall be administered as uniformly as possible  
 31 (allowance being made for the difference in imposition of the taxes), ORS

1 305.140 and 305.150, ORS chapter 314 and the following sections are incor-  
2 porated into and made a part of this chapter: ORS 285C.309, 315.104, 315.141,  
3 315.156, 315.204, 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.507 and  
4 315.533 (all only to the extent applicable to a corporation) and ORS chapter  
5 317 and section 4 of this 2017 Act.

6 **SECTION 7. Section 4 of this 2017 Act and the amendments to ORS**  
7 **314.752 and 318.031 by sections 5 and 6 of this 2017 Act apply to tax**  
8 **years beginning on or after January 1, 2017.**

9 **SECTION 8. This 2017 Act takes effect on the 91st day after the date**  
10 **on which the 2017 regular session of the Seventy-ninth Legislative**  
11 **Assembly adjourns sine die.**

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