

**SB 1 STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

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**Action Date:** 03/21/17

**Action:** Without recommendation as to passage, request rescission of subsequent referral to Tax Credits and request referral to Ways and Means.

**Vote:** 5-0-0-0

**Yeas:** 5 - Baertschiger Jr, Boquist, Hass, Riley, Taylor

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

**Prepared By:** Chris Allanach, Senior Economist

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**WHAT THE MEASURE DOES:**

Creates a personal income or corporation tax credit for the operating costs of housing for agricultural workers. Defines terms. The credit is 50 percent of eligible costs incurred during the tax year. Costs are reduced by any grants or similar funding received by the owner to compensate for the such costs. Eligible housing must comply with all occupational safety or health laws, rules, regulations, and standards; if required, be operated by a person who holds a valid indorsement as a farmworker camp operator; if farm employment-related housing, be registered as a farmworker camp with DCBS; if community-based housing, meet all relevant certification requirements established by the Housing and Community Services Department. The credit may not be claimed for units occupied by temporary H-2A workers; or for utilities unless paid by the owner or operator. Requires certification. The credit is refundable; if obtained by a tax-exempt entity, the credit may be transferred. Establishes a program cap (currently blank) for the amount of tax credits certified each year. The credit is effective for tax years 2018 through 2023.

**ISSUES DISCUSSED:**

- Impact of recent legislation on labor costs
- Current shortage of housing for agriculture workers
- Housing prices in rural areas of Oregon
- Role of community-based housing
- Housing subsidy for other economic sectors

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Oregon currently has a tax credit for the construction, rehabilitation, or acquisition of agriculture workforce housing. It is 50 percent of the eligible costs of housing projects. The tax credit proposed in this bill would serve as a complementary policy.