

House Bill 3032

Sponsored by COMMITTEE ON REVENUE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires value of transferable tax credit to be lower of value determined at time of application for preliminary certification or at time of final certification.

Applies to tax credits transferred on or after effective date of Act.

Extends availability of tax credit on basis of date by which taxpayer receives preliminary certification.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to transferable energy tax credits; creating new provisions; amending ORS 469B.276 and
3 469B.323 and sections 36 and 54, chapter 730, Oregon Laws 2011; and prescribing an effective
4 date.

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

6 **SECTION 1.** ORS 469B.276 is amended to read:

7 469B.276. (1) The owner of a project may transfer a tax credit for the project in exchange for
8 a cash payment equal to the present value of the potential tax credit, as determined at the time of
9 the application for preliminary certification, **or at the time of final certification, whichever**
10 **value is lower**. If the tax credit is subject to recertification, only that portion of the tax credit that
11 has been recertified may be transferred.

12 (2) The State Department of Energy shall establish by rule a formula to be employed in the de-
13 termination of prices of credits transferred under this section. In establishing the formula the de-
14 partment shall incorporate inflation projections and market real rate of return.

15 (3) The department shall recalculate credit transfer prices quarterly, employing the formula es-
16 tablished under subsection (2) of this section.

17 **SECTION 2.** ORS 469B.323 is amended to read:

18 469B.323. (1) The owner of a transportation project may transfer a tax credit for the project in
19 exchange for a cash payment equal to the present value of the tax credit, **as determined at the**
20 **time of the application for preliminary certification, or at the time of final certification,**
21 **whichever value is lower**.

22 (2) The State Department of Energy shall establish by rule a formula to be employed in the de-
23 termination of prices of credits transferred under this section. In establishing the formula the de-
24 partment shall incorporate inflation projections and market real rate of return.

25 (3) The department shall recalculate credit transfer prices quarterly, employing the formula es-
26 tablished under subsection (2) of this section.

27 **SECTION 3. The amendments to ORS 469B.276 and 469B.323 by sections 1 and 2 of this**
28 **2017 Act apply to tax credits transferred on or after the effective date of this 2017 Act.**

29 **SECTION 4.** Section 36, chapter 730, Oregon Laws 2011, is amended to read:

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 **Sec. 36.** (1) **Unless a taxpayer has received preliminary certification under ORS 469B.288**
2 **prior to January 1, 2018, the** taxpayer may not be allowed a credit under [*section 35 of this 2011*
3 *Act*] **ORS 315.331** if the first tax year for which the credit would otherwise be allowed, with respect
4 to an energy conservation project certified under [*section 45 of this 2011 Act*] **ORS 469B.291**, begins
5 on or after January 1, 2018.

6 (2) A taxpayer may not be allowed a credit for an energy conservation project that is a
7 cogeneration facility as that term is defined in ORS 758.505 for a tax year that begins before Janu-
8 ary 1, 2013.

9 **SECTION 5.** Section 54, chapter 730, Oregon Laws 2011, as amended by section 16, chapter 774,
10 Oregon Laws 2013, is amended to read:

11 **Sec. 54.** (1) A taxpayer may not be allowed a credit for a transportation project, other than an
12 alternative fuel vehicle project, certified under ORS 469B.332 if the first tax year for which the
13 credit would otherwise be allowed begins on or after January 1, 2016.

14 (2) **Unless a taxpayer has received preliminary certification under ORS 469B.288 prior to**
15 **January 1, 2018, the** taxpayer may not be allowed a credit for an alternative fuel vehicle project
16 certified under ORS 469B.332 if the first tax year for which the credit would otherwise be allowed
17 begins on or after January 1, 2018.

18 **SECTION 6. This 2017 Act takes effect on the 91st day after the date on which the 2017**
19 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

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