

# Senate Bill 794

Sponsored by COMMITTEE ON FINANCE AND 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**.

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.

## A BILL FOR AN ACT

1  
2 Relating to rent subsidies for privately owned rental housing; creating new provisions; amending  
3 ORS 314.752 and 318.031; and prescribing an effective date.

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

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

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

12 **(3) The department shall contract with an Oregon nonprofit organization exempt from**  
13 **taxation under section 501(c)(3) of the Internal Revenue Code that has experience and ex-**  
14 **pertise in providing rental assistance to administer the program established under this sec-**  
15 **tion. The nonprofit organization shall, at a minimum:**

16 **(a) Conduct tenant eligibility screenings;**

17 **(b) Provide temporary monthly rent subsidies to tenants of privately owned rental hous-**  
18 **ing that are experiencing rent increases as the result of changes in the housing market;**

19 **(c) Execute agreements with landlords of eligible tenants to receive rent subsidy pay-**  
20 **ments directly from the program; and**

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

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

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

25 **(A) Income requirements;**

26 **(B) Acceptable rental history; and**

27 **(C) Acceptable results of a criminal background check;**

28 **(b) Creating an application procedure for tenants that desire to participate in the pro-**

**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 **gram;**

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

4 (d) **Developing a process by which participating landlords may receive rent subsidy pay-**  
5 **ments directly from the program; and**

6 (e) **Establishing limitations for program participation, including but not limited to:**

7 (A) **Maximum subsidy amount per tenant; and**

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

9 **SECTION 2. (1) The Trust for Oregon Renter Assistance Account is established in the**  
10 **State Treasury, separate and distinct from the General Fund. Investment earnings, interest**  
11 **and other income earned by the Trust for Oregon Renter Assistance Account shall be cred-**  
12 **ited to the account.**

13 (2) **All moneys in the Trust for Oregon Renter Assistance Account are appropriated**  
14 **continuously to the Housing and Community Services Department for the Oregon Renter**  
15 **Assistance Program for the purposes of section 1 of this 2017 Act.**

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

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

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

23 (3) **The credit is allowable under this section only to the extent the taxpayer has con-**  
24 **tributed an equal amount to the Oregon nonprofit organization selected by the Housing and**  
25 **Community Services Department under section 1 of this 2017 Act during the tax year.**

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

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

32 (6) **Any tax credit otherwise allowable under this section that is not used by the taxpayer**  
33 **in a particular tax year may be carried forward and offset against the taxpayer’s tax liability**  
34 **for the next succeeding tax year. Any credit remaining unused in the next succeeding tax**  
35 **year may be carried forward and used in the second succeeding tax year, and likewise, any**  
36 **credit not used in that second succeeding tax year may be carried forward and used in the**  
37 **third succeeding tax year but may not be carried forward for any tax year thereafter.**

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

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

45 (9) **If a change in the status of a taxpayer from resident to nonresident or from nonres-**

1 **ident to resident occurs, the credit allowed by this section shall be determined in a manner**  
 2 **consistent with ORS 316.117.**

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

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

7 314.752. (1) Except as provided in ORS 314.740 (5)(b), the tax credits allowed or allowable to a  
 8 C corporation for purposes of ORS chapter 317 or 318 shall not be allowed to an S corporation. The  
 9 business tax credits allowed or allowable for purposes of ORS chapter 316 shall be allowed or are  
 10 allowable to the shareholders of the S corporation.

11 (2) In determining the tax imposed under ORS chapter 316, as provided under ORS 314.734, on  
 12 income of the shareholder of an S corporation, there shall be taken into account the shareholder's  
 13 pro rata share of business tax credit (or item thereof) that would be allowed to the corporation (but  
 14 for subsection (1) of this section) or recapture or recovery thereof. The credit (or item thereof), re-  
 15 capture or recovery shall be passed through to shareholders in pro rata shares as determined in the  
 16 manner prescribed under section 1377(a) of the Internal Revenue Code.

17 (3) The character of any item included in a shareholder's pro rata share under subsection (2)  
 18 of this section shall be determined as if such item were realized directly from the source from which  
 19 realized by the corporation, or incurred in the same manner as incurred by the corporation.

20 (4) If the shareholder is a nonresident and there is a requirement applicable for the business tax  
 21 credit that in the case of a nonresident the credit be allowed in the proportion provided in ORS  
 22 316.117, then that provision shall apply to the nonresident shareholder.

23 (5) As used in this section, "business tax credit" means a tax credit granted to personal income  
 24 taxpayers to encourage certain investment, to create employment, economic opportunity or incentive  
 25 or for charitable, educational, scientific, literary or public purposes that is listed under this sub-  
 26 section as a business tax credit or is designated as a business tax credit by law or by the Depart-  
 27 ment of Revenue by rule and includes but is not limited to the following credits: ORS 285C.309  
 28 (tribal taxes on reservation enterprise zones and reservation partnership zones), ORS 315.104 (fore-  
 29 station and reforestation), ORS 315.138 (fish screening, by-pass devices, fishways), ORS 315.141  
 30 (biomass production for biofuel), ORS 315.156 (crop gleanings), ORS 315.164 and 315.169 (agriculture  
 31 workforce housing), ORS 315.204 (dependent care assistance), ORS 315.208 (dependent care facili-  
 32 ties), ORS 315.213 (contributions for child care), ORS 315.304 (pollution control facility), ORS 315.326  
 33 (renewable energy development contributions), ORS 315.331 (energy conservation projects), ORS  
 34 315.336 (transportation projects), ORS 315.341 (renewable energy resource equipment manufacturing  
 35 facilities), ORS 315.354 and 469B.151 (energy conservation facilities), ORS 315.507 (electronic com-  
 36 merce) and ORS 315.533 (low income community jobs initiative) **and section 4 of this 2017 Act**  
 37 **(contributions to the Trust for Oregon Renter Assistance Account).**

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

39 318.031. It being the intention of the Legislative Assembly that this chapter and ORS chapter  
 40 317 shall be administered as uniformly as possible (allowance being made for the difference in im-  
 41 position of the taxes), ORS 305.140 and 305.150, ORS chapter 314 and the following sections are in-  
 42 corporated into and made a part of this chapter: ORS 285C.309, 315.104, 315.141, 315.156, 315.204,  
 43 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.507 and 315.533 (all only to the extent appli-  
 44 cable to a corporation) and ORS chapter 317 **and section 4 of this 2017 Act.**

45 **SECTION 7.** **Section 4 of this 2017 Act and the amendments to ORS 314.752 and 318.031**

1 by sections 5 and 6 of this 2017 Act apply to tax years beginning on or after January 1, 2017.

2 SECTION 8. This 2017 Act takes effect on the 91st day after the date on which the 2017

3 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

4

---