

HB 4028 -1, -2 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 2/5, 2/12

WHAT THE MEASURE DOES:

Limits employment related expenses for which working family household and dependent care expenses may be claimed to least of: earned income taxable by Oregon and reported on taxpayer's return or lesser amount of earned income taxable by Oregon earned by each spouse if reported on joint return.

For purposes of tax credit for a producer or collector of manure used as biofuel or to produce biofuel, replaces term "bovine" with "cow". Modifies \$5 million annual credit claimed limitation to \$5 million in annual credit certifications, as issued by the State Department of Agriculture for any calendar year.

For purposes of Oregon affordable housing lender credit, lessens restrictions on types of sponsoring entities of manufactured dwelling parks for which lending institution may be allowed tax credit for qualified loans.

Amendments to the three tax credits apply to tax years beginning on or after January 1, 2019.

ISSUES DISCUSSED:

- Amendments expected for affordable housing lenders credit
- Single asset entity LLC owned by nonprofit, not able to qualify for affordable housing lenders credit under current law due to restrictions on owner limitations of manufactured structures.

EFFECT OF AMENDMENT:

-1 For purposes of Oregon affordable housing lender credit, expands requirements on types of entities that may be a qualified borrower on a loan to finance a manufactured dwelling park to include a nonprofit corporation or housing authority that has a controlling interest in the real property that is financed by a qualified loan.

-2 In instances where Legislative Assembly appropriates funds for deposit into the Oregon Production Investment Fund per ORS 315.516, such amount required to be reduced by the amount previously certified for the film production development contributions tax credit in the current fiscal year. Disallows additional credit certification for the current fiscal year.

BACKGROUND:

Working Family Household and Dependent Care Expenses Credit

The Working Family Dependent Care tax credit was created in 2015 through the merging of two former credits, the Working Family Child Care and Dependant Care tax credits. A similar federal child and dependent care credit exists, however the federal credit is more limited than Oregon's.

Producer or Collector of Manure Credit

Enacted in 2017, House Bill 2066 moved certification responsibility for the Bovine Manure Tax credit from Oregon Department of Energy to Oregon Department of Agriculture.

Per Merriam-Webster Dictionary:

Bovine: any of a subfamily (Bovinae) of bovids including oxen, bison, buffalo and their close relatives

Cow: the mature female of cattle (genus Bos)

Affordable Housing Lender Credit

Corporations that make qualified loans at below market interest rates for eligible housing projects are allowed a tax credit equal to the difference between the finance charge on the loan and the finance charge that would have been imposed if the loan were issued at market interest rates. Eligible housing projects include construction, development, acquisition, or rehabilitation of a manufactured dwelling park, low income housing, or a preservation project. Qualified loans are those that are certified by the Oregon Housing and Community Services Department.