



TESTIMONY

House Revenue Committee

February 19, 2018

Oregon Farm Bureau Supports the -5 amendment to HB 4028

Thank you for the opportunity to provide testimony today in support of HB 4028 and the -5 amendment. As a reference, the Oregon Farm Bureau Federation (OFB) is the state's largest general agricultural association, representing nearly 7,000 farm and ranch families.

Manure digesters provide very clear environmental, renewable energy, and economic benefits to the dairy industry and the public. And the manure digester tax credit has been successful in encouraging dairy farmers to invest in digesters. Since it began, digesters in eight locations across Oregon have been developed.

Last session, the Legislature passed HB 2066, a bill that restructured the Bovine Manure Tax Credit. The bill capped the overall available credit to \$5 million per tax year and moved administration from the Oregon Department of Energy to the Oregon Department of Agriculture (ODA). In addition, HB 2066 required the state to provide proportional benefits to everyone on a pro-rata basis. This leveled the playing field for operations of all sizes.

However, when ODA and the Department of Revenue (DOR) began the rulemaking last fall, the agencies and stakeholders identified a problem—proportional tax credit benefits based on a tax year would be very difficult if not impossible to allocate because tax years are determined by tax filers rather than state fiscal or calendar years. Members of the rulemaking advisory committee, including OFB, recommended a legislative fix that would change “tax year” to “calendar year.” This would put the tax filers and agencies on the same schedule.

The -5 amendment to HB 4028 is truly a technical fix. It does not change the program or who can apply for the tax credit. Instead, the amendment simply makes the program easier to administer.

Thank you for the opportunity to comment in support of the -5 amendment to HB 4028. OFB respectfully requests your support of this important technical fix.