

Requested by Representative SMITH G

**PROPOSED AMENDMENTS TO
HOUSE BILL 4011**

1 In line 2 of the printed bill, after “manure;” delete the rest of the line
2 and delete line 3 and insert “creating new provisions; amending ORS 315.176
3 and 315.184; and prescribing an effective date.”.

4 After line 10, insert:

5 **“SECTION 2.** ORS 315.176 is amended to read:

6 “315.176. (1) As used in this section:

7 “(a) ‘Biofuel’ means liquid, gaseous or solid fuels, derived from biomass,
8 that have been converted into a processed fuel ready for use as energy by a
9 biofuel producer’s customers or for direct biomass energy use at the biofuel
10 producer’s site.

11 “(b) ‘Biofuel producer’ means a person that, through activities in Oregon:

12 “(A) Alters the physical makeup of biomass to convert it into biofuel;

13 “(B) Changes one biofuel into another type of biofuel; or

14 “(C) Uses biomass in Oregon to produce energy.

15 “(c) ‘Bovine manure’ means, subject to subsection (2) of this section,
16 [cow] **cattle** manure that is produced [by cows] on Oregon farms.

17 “(d) ‘Bovine manure producer or collector’ means a person that produces
18 or collects bovine manure in Oregon that is used, in Oregon, as biofuel or
19 to produce biofuel.

20 **“(e) ‘Cattle’ means cows, heifers, bulls, steers or calves.**

21 “(2) The Director of Agriculture may adopt rules to define criteria, only

1 as the criteria apply to bovine manure, to determine additional character-
2 istics of bovine manure for purposes of this section.

3 “(3)(a) A bovine manure producer or collector shall be allowed a credit
4 against the taxes that would otherwise be due under ORS chapter 316 or, if
5 the taxpayer is a corporation, under ORS chapter 317 or 318 for the col-
6 lection of bovine manure in Oregon that is used, in Oregon, as biofuel or to
7 produce biofuel.

8 “(b) A credit under this section may be claimed in the tax year in which
9 the credit is certified under this section.

10 “(c) A credit under this section may be claimed only once for each wet
11 ton of bovine manure.

12 “(4) The amount of the credit shall be calculated at a rate of \$3.50 per
13 wet ton, as certified under this section.

14 “(5)(a) The State Department of Agriculture may establish by rule proce-
15 dures and criteria for determining the amount of the tax credit to be certified
16 under this section. The department shall provide written certification to
17 taxpayers that are eligible to claim the credit under this section.

18 “(b) The State Department of Agriculture may charge and collect a fee
19 from taxpayers for certification of credits under this section. The fee may
20 not exceed the cost to the department of issuing certifications.

21 “(6) All fees collected under this section shall be deposited in the State
22 Treasury to the credit of the Department of Agriculture Service Fund.
23 Moneys deposited under this section are continuously appropriated to the
24 department for the purpose of administering and enforcing the provisions of
25 this section.

26 “(7)(a) The Department of Revenue may [*by rule*] require that the State
27 Department of Agriculture provide information about the certification issued
28 under this section, including the name and taxpayer identification number
29 of the taxpayer or other person receiving certification, the date the certi-
30 fication was issued in its final form, the approved amount of credit and the

1 first tax year for which the credit may be claimed.

2 “(b) A taxpayer that is a pass-through entity that has received certifica-
3 tion under this section shall provide [*the information described in paragraph*
4 *(a) of this subsection*] to the Department of Revenue within two months after
5 the close of the tax year in which the certification was issued **the name,**
6 **taxpayer identification number and any other information required by**
7 **the department of each owner receiving a distributive share of the**
8 **credit, in a manner prescribed by the department.**

9 “[*(c) The Department of Revenue shall prescribe by rule the manner and*
10 *the timing of submission of the information to the department.*]

11 “(8) The amount of the credit claimed under this section for any tax year
12 may not exceed the tax liability of the taxpayer.

13 “(9) Each bovine manure producer or collector shall maintain a record
14 of the written certification of the amount of the tax credit under this section
15 for a period of at least five years after the tax year in which the credit is
16 claimed and provide the written certification to the Department of Revenue
17 upon request.

18 “(10) The credit shall be claimed on a form prescribed by the Department
19 of Revenue that contains the information required by the department.

20 “(11) Any tax credit otherwise allowable under this section that is not
21 used by the taxpayer in a particular tax year may be carried forward and
22 offset against the taxpayer’s tax liability for the next succeeding tax year.
23 Any credit remaining unused in the next succeeding tax year may be carried
24 forward and used in the second succeeding tax year, and likewise any credit
25 not used in that second succeeding tax year may be carried forward and used
26 in the third succeeding tax year, and any credit not used in that third suc-
27 ceeding tax year may be carried forward and used in the fourth succeeding
28 tax year, but may not be carried forward for any tax year thereafter.

29 “(12) In the case of a credit allowed under this section:

30 “(a) A nonresident shall be allowed the credit under this section in the

1 proportion provided in ORS 316.117.

2 “(b) If a change in the status of the taxpayer from resident to nonresident
3 or from nonresident to resident occurs, the credit allowed by this section
4 shall be determined in a manner consistent with ORS 316.117.

5 “(c) If a change in the taxable year of the taxpayer occurs as described
6 in ORS 314.085, or if the department terminates the taxpayer’s taxable year
7 under ORS 314.440, the credit allowed under this section shall be prorated
8 or computed in a manner consistent with ORS 314.085.

9 **“SECTION 3. The amendments to ORS 315.176 and 315.184 by
10 sections 1 and 2 of this 2018 Act apply to tax years beginning on or
11 after January 1, 2018.”.**

12 In line 11, delete “2” and insert “4”.

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