

HB 2237 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Kyle Easton, Economist

Meeting Dates: 2/28

WHAT THE MEASURE DOES:

Extends sunset of agriculture workforce housing construction tax credit from 1/1/2020 to 1/1/2026.

Creates refundable income tax credit available to individuals and corporations for costs necessary to operate specified housing for agricultural workers. Specifies credit equals 50 percent of eligible operation costs incurred during the tax year, subsequently reduced by any amount of federal or other governmental or private grants or similar funding received to compensate owner of property for payment of eligible costs. Specifies requirements of eligible housing. Requires written certification of eligible costs from the Housing and Community Services Department prior to credit being claimed. Allows and specifies transferability of credit. Establishes annual tax credit limit of \$___ million for any tax year. Specifies credit is available for tax years 2020 through 2025.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Taxpayers are allowed a credit for the construction, rehabilitation, or acquisition of agriculture workforce housing in Oregon. The credit is 50 percent of the eligible costs of housing projects. The credit can be taken over ten years, with a maximum credit amount taken in any of the ten years equal to 20% of the total credit amount (50%*eligible costs). The credit also has a nine-year carryforward. The policy also allows for the credit to be transferred to a contributor. The Housing and Community Services Department (HCSD) may certify up to \$3,625,000 in credits per year. Certification is received through an application process submitted to and approved by HCSD. The following qualifications must be met for eligibility:

- Rehabilitation projects must restore housing to a condition that meets building code requirements
- Housing must be registered, if required, as an agriculture workforce camp with the Department of Consumer and Business Services
- The housing must be occupied by agriculture workers.

House Bill 2237 creates a tax credit to defray costs necessary to operate farm employment-related housing or housing operated by a non-profit or housing authority and occupied by a majority of agricultural workers.