

HOUSE AMENDMENTS TO HOUSE BILL 3425

By JOINT COMMITTEE ON CARBON REDUCTION

May 14

1 On page 1 of the printed bill, delete lines 4 through 30.

2 Delete pages 2 through 4 and insert:

3 **“SECTION 1. As used in sections 1 to 6 of this 2019 Act:**

4 **“(1) ‘Allowance’ means a tradable authorization to emit one metric ton of carbon dioxide**
5 **equivalent, issued by the state as part of the market-based mechanism for covered entities**
6 **to demonstrate compliance with a cap and trade program.**

7 **“(2) ‘Cap and trade program’ means a regulatory program adopted by the state that:**

8 **“(a) Places a cap on the total anthropogenic greenhouse gas emissions that are regulated**
9 **emissions under the program through setting annual allowance budgets for 2021 to 2050;**

10 **“(b) Provides a market-based mechanism for covered entities to demonstrate compliance**
11 **with the program; and**

12 **“(c) Regulates as covered entities under the program persons that produce or import fuel**
13 **that is sold or distributed for use in this state, as necessary to address the regulated emis-**
14 **sions that are attributable to the combustion of that fuel.**

15 **“(3) ‘Eligible motor vehicle’ means a passenger motor vehicle that is powered by fuel.**

16 **“(4) ‘Eligible person’ means an individual with an adjusted gross income that does not**
17 **exceed 250 percent of the federal poverty guidelines, based on the individual’s household size**
18 **and household members.**

19 **“(5) ‘Fuel’ means:**

20 **“(a) Motor vehicle fuel as defined in ORS 319.010; and**

21 **“(b) Fuel subject to the tax imposed under ORS 319.530 on the use of fuel in a motor**
22 **vehicle within the meaning of ORS 319.520.**

23 **“(6) ‘Median vehicle miles traveled’ means, for a county, the median number of miles**
24 **traveled in this state per capita by residents of that county who are eligible persons using**
25 **eligible motor vehicles.**

26 **“(7) ‘Per-gallon carbon price’ means the portion of the price of a gallon of fuel in Oregon**
27 **that is attributable to the cost to a fuel producer or importer of being regulated under a cap**
28 **and trade program adopted by the State of Oregon.**

29 **“SECTION 2. (1)(a) Not later than November 30 of each year, beginning in the year that**
30 **a cap and trade program adopted by the State of Oregon becomes operative, the Department**
31 **of Transportation, in consultation with the state agency charged with implementing the cap**
32 **and trade program, shall prepare, for each county, an annual estimate of:**

33 **“(A) The median vehicle miles traveled for that county;**

34 **“(B) The median number of gallons of fuel used by an eligible motor vehicle in traveling**
35 **the median vehicle miles traveled for that county; and**

1 “(C) The per-gallon carbon price.

2 “(b) In preparing the estimate required under paragraph (a)(C) of this subsection, the
3 department shall take into account differences by county in the median annual cost of a
4 gallon of fuel. The department shall subtract from the estimate any increase solely attrib-
5 utable to a percentage increase, from 2020 to the current calendar year, in the Consumer
6 Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau
7 of Labor Statistics of the United States Department of Labor. The estimate shall be ex-
8 pressed in a positive amount of dollars per gallon of fuel.

9 “(c) The Department of Transportation may contract with an independent third-party
10 organization to assist in preparing the estimates required under this subsection.

11 “(2) Using the estimates prepared under subsection (1) of this section, the department
12 shall develop a schedule that lists for each county the annual per capita credit amount
13 available to each eligible person who is a resident of the county. The annual per capita credit
14 amount available to an eligible person in a county shall be computed:

15 “(a) To reflect the median number of gallons of fuel used by an eligible motor vehicle in
16 traveling the median vehicle miles traveled for the county, multiplied by the per-gallon car-
17 bon price;

18 “(b) To closely approximate the carbon price indirectly paid by eligible persons in the
19 county through the purchase of fuel to propel eligible motor vehicles on the public highways;
20 and

21 “(c) To reflect any adjustments necessary to account for differences between the total
22 moneys available for issuance of credits during the previous calendar year in the Climate
23 Action Reimbursement Fund established under section 5 of this 2019 Act and the total mon-
24 eys issued as payment of credits during the previous calendar year.

25 “(3) Not later than August 15 of each year, the Department of Transportation shall notify
26 the Department of Revenue of, as calculated for each county for the immediately preceding
27 year:

28 “(a) The estimates required under this section; and

29 “(b) The annual per capita credit amount available to an eligible person.

30 “(4) The Department of Transportation may adopt rules necessary to carry out this sec-
31 tion.

32 “SECTION 3. (1) If the State of Oregon adopts a cap and trade program, each eligible
33 person may apply for a credit under this section in an amount equal to the annual per capita
34 credit amount for the county in which the eligible person is located, as computed under
35 section 2 of this 2019 Act.

36 “(2) The Department of Revenue shall provide a means on the personal income tax re-
37 turn, beginning with returns filed for tax years beginning on or after January 1 of the year
38 that a cap and trade program adopted by the State of Oregon becomes operative, by which
39 an eligible person may apply for the credit. An eligible person may apply for the credit on
40 the return filed by the eligible person for any personal income tax year beginning on or after
41 the date on which the estimate required under section 2 of this 2019 Act is made.

42 “(3) The department shall allow for an eligible person who is not required to file a per-
43 sonal income tax return to apply for the credit in a form prescribed by the department by
44 rule.

45 “(4) An eligible person claiming a credit under this section shall provide to the depart-

1 **ment:**

2 “(a) Proof of registration in Oregon to the eligible person of at least one eligible motor
3 vehicle; and

4 “(b) Any other information required by the department by rule.

5 “(5) The amount of credit allowed under this section shall equal, for residents of each
6 county:

7 “(a) Twice the amount of the per capita credit amount listed for that county on the
8 schedule developed under section 2 of this 2019 Act, if claimed on a joint return, provided the
9 return includes proof of registration of two eligible motor vehicles; or

10 “(b) The per capita credit amount listed for that county on the schedule developed under
11 section 2 of this 2019 Act, for credits claimed on all types of personal income tax returns
12 other than joint returns.

13 “(6) In no event may more than twice the per capita credit amount be allowed on the
14 basis of one return, regardless of the number of eligible motor vehicles registered to an eli-
15 gible person.

16 “(7) The amounts authorized under this section shall be credited by the department out
17 of the Climate Action Reimbursement Fund established under section 5 of this 2019 Act and
18 in the manner of refund payments in excess of tax liability under ORS chapter 316. The de-
19 partment may not issue a credit unless there are sufficient moneys available in the fund to
20 pay the credit.

21 “(8) Amounts received through a credit issued under this section are exempt from per-
22 sonal income taxation under Oregon law.

23 “(9) Credits allowed under this section do not bear interest.

24 “SECTION 4. Except as otherwise provided in section 3 of this 2019 Act, or where context
25 requires otherwise, the provisions of ORS chapters 305 and 314 as to the audit and exam-
26 ination of reports and returns, periods of limitation, determination of and notices of defi-
27 ciencies, assessments, collections, liens, delinquencies, claims for refund and refunds,
28 conferences, appeals to the Oregon Tax Court, stays of collection pending appeal,
29 confidentiality of returns and the penalties and procedures relative thereto, apply to the de-
30 terminations of taxes, credits, penalties and interest under section 3 of this 2019 Act.

31 “SECTION 5. The Climate Action Reimbursement Fund is established in the State
32 Treasury, separate and distinct from the General Fund. The Climate Action Reimbursement
33 Fund shall consist of moneys transferred to the fund under section 6 of this 2019 Act. In-
34 terest earned by the fund shall be credited to the fund. Moneys in the fund are continuously
35 appropriated to the Department of Revenue to issue credits under section 3 of this 2019 Act.

36 “SECTION 6. Notwithstanding any contrary provision of law, the Department of Trans-
37 portation shall annually transfer 30 percent of the moneys deposited in the Transportation
38 Decarbonization Investments Account to the Climate Action Reimbursement Fund estab-
39 lished under section 5 of this 2019 Act.

40 “SECTION 7. This 2019 Act does not take effect unless House Bill 2020 becomes law.

41 “SECTION 8. If House Bill 2020 becomes law, this 2019 Act takes effect on the later of:

42 “(1) The 91st day after the date on which the 2019 regular session of the Eightieth Leg-
43 islative Assembly adjourns sine die; or

44 “(2) The effective date of chapter _____, Oregon Laws 2019 (Enrolled House Bill
45 2020).”.

