

Requested by HOUSE COMMITTEE ON REVENUE (at the request of Department of Revenue)

**PROPOSED AMENDMENTS TO
HOUSE BILL 2141**

1 On page 1 of the printed bill, delete lines 3 through 5 and insert “315.053,
2 315.138, 315.141, 315.164, 315.169, 315.176, 315.521, 315.622, 315.624, 317.097,
3 329A.706, 348.621, 442.485, 458.690, 469B.118, 469B.300, 469B.341 and 469B.991;
4 repealing ORS 315.172, 315.179, 315.181 and 469B.407; and prescribing an ef-
5 fective date.”.

6 Delete lines 7 through 27 and delete pages 2 through 31 and insert:
7

8 **“ADMINISTRATION OF TAX CREDIT PROVISIONS**
9

10 **“SECTION 1. Sections 2 to 4 of this 2019 Act are added to and made**
11 **a part of ORS chapter 315.**

12 **“SECTION 2. (1) Transfer of any transferable tax credit that is al-**
13 **lowed under this chapter or ORS chapter 316 or 317 and that is trans-**
14 **ferred on or after January 1, 2020, is conditioned upon compliance with**
15 **this section and ORS 315.052 and 315.053.**

16 **“(2) The Department of Revenue may require that the person that**
17 **has earned the credit and the taxpayer that intends to claim the credit**
18 **jointly file a notice of tax credit transfer with the department on or**
19 **before the earliest of the following dates:**

20 **“(a) A date 30 days after the transfer of the credit;**

21 **“(b) The date on which the transferee files a return; or**

1 “(c) The due date, including extensions, of the transferee’s return.

2 “(3) The notice shall be given on a form prescribed by the depart-
3 ment that contains:

4 “(a) The name and address of the transferor and of the transferee;

5 “(b) The taxpayer identification number of the transferor and of the
6 transferee;

7 “(c) The dates on which the person earning the credit received
8 certifications for the credit;

9 “(d) The amount of the credit that is certified, the amount that is
10 being transferred and the amount that is being retained by the
11 transferor; and

12 “(e) Any other information required by the department.

13 “(4)(a) If a tax credit must be claimed over multiple tax years, a
14 transferor may separately transfer the entirety of that portion corre-
15 sponding to each tax year to one or more transferees, subject to sub-
16 section (5) of this subsection.

17 “(b) Any amount of credit that would be allowed due only to a
18 carryforward provision may not be transferred.

19 “(5) Any transfer of a tax credit or a portion of a tax credit must
20 be completed no later than the earliest of the following dates in re-
21 lation to the tax return on which it is claimed:

22 “(a) The original due date, including extensions, of the transferor’s
23 return;

24 “(b) The date on which the transferor’s return is actually filed;

25 “(c) The original due date, including extensions, of the transferee’s
26 return; or

27 “(d) The date on which the transferee’s return is actually filed.

28 “(6) Notwithstanding subsection (5) of this section, if the transferor
29 is a tax-exempt entity, the transfer must be completed on or before a
30 date one year after the close of the tax year for which the credit re-

1 ceives final certification. As used in this subsection ‘tax-exempt
2 entity’ means a government agency or an organization that is recog-
3 nized as exempt under section 501(c)(3) of the Internal Revenue Code.

4 “(7) The transferee shall claim the credit in accordance with the
5 credit provisions for the tax years in which the credit is allowed.

6 “(8) The department by rule may establish policies and procedures
7 for the implementation of this section.

8 **“SECTION 3. (1) For any tax credit that is allowed under this**
9 **chapter or ORS chapter 316 or 317 and for which certification, deter-**
10 **mination of eligibility or other approval from an agency other than the**
11 **Department of Revenue is required and was issued on or after January**
12 **1, 2019, the department may require that the other agency provide in-**
13 **formation about the certification, determination of eligibility or other**
14 **approval, including the name and taxpayer identification number of**
15 **the taxpayer or other person receiving approval, the date the approval**
16 **was issued in its final form, the approved amount of credit and the**
17 **first tax year for which the credit may be claimed.**

18 “(2) Within two months after the close of the tax year in which the
19 approval was issued, a taxpayer that is a pass-through entity that has
20 received approval shall provide to the department, in the manner
21 prescribed by the department, the name and taxpayer identification
22 number of each owner receiving a distributive share of the credit and
23 any other information required by the department pertaining to an
24 owner receiving a distributive share.

25 **“SECTION 4. (1) Under the procedures for a contested case under**
26 **ORS chapter 183, the director of the agency responsible for certifying**
27 **or otherwise determining eligibility or granting approval for a tax**
28 **credit allowed under this chapter or ORS chapter 316 or 317 may order**
29 **the suspension, revocation or forfeiture of the tax credit approval or**
30 **of a portion thereof if the director finds that:**

1 “(a) The approval was obtained by fraud or misrepresentation;

2 “(b) The approval was obtained by mistake or miscalculation; or

3 “(c) The taxpayer otherwise violates or has violated a condition or
4 requirement for eligibility for the tax credit.

5 “(2) As soon as an order of revocation under this section becomes
6 final, the director shall notify the Department of Revenue and the
7 person that received the tax credit certification, or other approval, of
8 the order of revocation. Upon notification, the Department of Revenue
9 immediately shall proceed to collect:

10 “(a) If no portion of a credit has been transferred, those taxes not
11 paid by the holder of the certificate or other approval as a result of
12 the tax credits provided to the holder under the revoked approval,
13 from the holder or a successor in interest to the business interests of
14 the holder. All tax credits provided to the holder and attributable to
15 the fraudulently or mistakenly obtained approval or portion of the
16 approval shall be forfeited.

17 “(b) If all of a credit has been transferred, an amount equal to the
18 amount of the tax credits allowable to the transferee under the re-
19 voked approval, from the transferor.

20 “(c) If a portion of a tax credit has been transferred, those taxes
21 not paid by the transferor as a result of the tax credits provided to the
22 transferor pursuant to the revoked approval, from the transferor or a
23 successor in interest to the business interests of the transferor, and
24 an amount equal to the amount of the tax credits allowable to the
25 transferee pursuant to the revoked approval, from the transferor.

26 “(3)(a) The Department of Revenue shall have the benefit of all laws
27 of the state pertaining to the collection of income and excise taxes and
28 may proceed to collect the amounts described in subsection (2) of this
29 section from the person that obtained approval or a successor in in-
30 terest to the business interests of that person. An assessment of tax

1 is not necessary and the collection of taxes described in this subsection
2 is not precluded by any statute of limitations.

3 “(b) For purposes of this subsection, a lender, bankruptcy trustee
4 or other person that acquires an interest through bankruptcy or
5 through foreclosure of a security interest is not considered to be a
6 successor in interest to the business interests of the person that ob-
7 tained approval.

8 “(4) If the approval is ordered revoked pursuant to this section, the
9 holder of the certificate or other approval shall be denied any further
10 relief in connection with the credit from and after the date that the
11 order of revocation becomes final.

12 “(5) Notwithstanding subsections (1) to (4) of this section, a certifi-
13 cate or portion of a certificate held by a transferee may not be con-
14 sidered revoked for purposes of the transferee, the tax credit allowable
15 to the transferee may not be reduced and a transferee is not liable
16 under this section.

17 “(6) Interest under this section shall accrue at the rate established
18 in ORS 305.220 beginning the day after the due date of the return on
19 which the credit may first be claimed.

20 “(7) The Department of Revenue may collect amounts owed under
21 this section by a partnership from the partnership.

22 “**SECTION 5.** ORS 315.053 is amended to read:

23 “315.053. An income tax credit allowed under [*ORS 315.141, 315.331,*
24 *315.336, 315.341 or 315.354 or section 12, chapter 855, Oregon Laws 2007,*] **this**
25 **chapter or ORS chapter 316 or 317 that is transferable** may be trans-
26 ferred or sold only to one or more of the following:

27 “(1) A C corporation.

28 “(2) An S corporation.

29 “(3) A personal income taxpayer.

30

1 **“TRANSFERABLE TAX CREDIT PROVISIONS**

2
3 **“SECTION 6.** ORS 315.141 is amended to read:

4 “315.141. (1) As used in this section:

5 “(a) ‘Agricultural producer’ means a person that produces biomass in
6 Oregon that is used, in Oregon, as biofuel or to produce biofuel.

7 “(b) ‘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 “(c) ‘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 “(d) ‘Biomass’ means organic matter that is available on a renewable or
16 recurring basis and that is derived from:

17 “(A) Forest or rangeland woody debris from harvesting or thinning con-
18 ducted to improve forest or rangeland ecological health and reduce unchar-
19 acteristic stand replacing wildfire risk;

20 “(B) Wood material from hardwood timber described in ORS 321.267 (3);

21 “(C) Agricultural residues;

22 “(D) Offal and tallow from animal rendering;

23 “(E) Food wastes collected as provided under ORS chapter 459 or 459A;

24 “(F) Wood debris collected as provided under ORS chapter 459 or 459A;

25 “(G) Wastewater solids; or

26 “(H) Crops grown solely to be used for energy.

27 “(e) ‘Biomass’ does not mean wood that has been treated with creosote,
28 pentachlorophenol, inorganic arsenic or other inorganic chemical compounds
29 or waste, other than matter described in paragraph (d) of this subsection.

30 “(f) ‘Biomass collector’ means a person that collects biomass in Oregon

1 to be used, in Oregon, as biofuel or to produce biofuel.

2 “(g) ‘Canola’ means plants of the genus Brassica:

3 “(A) In which seeds having a high oil content are the primary econom-
4 ically valuable product; and

5 “(B) That have a high erucic acid content suitable for industrial uses or
6 a low erucic acid content suitable for edible oils.

7 “(h) ‘Oilseed processor’ means a person that receives agricultural oilseeds
8 and separates them into meal and oil by mechanical or chemical means.

9 “(i) ‘Willamette Valley’ means Clackamas, Linn, Marion, Multnomah,
10 Polk, Washington and Yamhill Counties and the portion of Benton and Lane
11 Counties lying east of the summit of the Coast Range.

12 “(2) The Director of the State Department of Energy may adopt rules to
13 define criteria, only as the criteria apply to organic biomass, to determine
14 additional characteristics of biomass for purposes of this section.

15 “(3)(a) An agricultural producer or biomass collector shall be allowed a
16 credit against the taxes that would otherwise be due under ORS chapter 316
17 or, if the taxpayer is a corporation, under ORS chapter 317 or 318 for:

18 “(A) The production of biomass in Oregon that is used, in Oregon, as
19 biofuel or to produce biofuel; or

20 “(B) The collection of biomass in Oregon that is used, in Oregon, as
21 biofuel or to produce biofuel.

22 “(b) A credit under this section may be claimed in the tax year in which
23 the credit is certified under subsection (5) of this section.

24 “(c) A taxpayer may be allowed a credit under this section for more than
25 one of the roles defined in subsection (1) of this section, but a biofuel pro-
26 ducer that is not also an agricultural producer or a biomass collector may
27 not claim a credit under this section.

28 “(d) A credit under this section may be claimed only once for each unit
29 of biomass.

30 “(e) Notwithstanding paragraph (a) of this subsection, a tax credit:

1 “(A) Is not allowed for canola grown, collected or produced in the
2 Willamette Valley; and

3 “(B) Is not allowed for grain corn, but a tax credit shall be allowed for
4 other corn material.

5 “(4) The amount of the credit shall equal the amount certified under
6 subsection (5) of this section.

7 “(5)(a) The State Department of Energy may establish by rule procedures
8 and criteria for determining the amount of the tax credit to be certified un-
9 der this section, consistent with ORS 469B.403. The department shall provide
10 written certification to taxpayers that are eligible to claim the credit under
11 this section.

12 “(b) The State Department of Energy may charge and collect a fee from
13 taxpayers for certification of credits under this section. The fee may not ex-
14 ceed the cost to the department of determining the amount of certified cost.

15 “[*(c) The State Department of Energy shall provide to the Department of*
16 *Revenue a list, by tax year, of taxpayers for which a credit is certified under*
17 *this section, upon request of the Department of Revenue.*]

18 “(6) The amount of the credit claimed under this section for any tax year
19 may not exceed the tax liability of the taxpayer.

20 “(7) Each agricultural producer or biomass collector shall maintain the
21 written documentation of the amount certified for tax credit under this sec-
22 tion in its records for a period of at least five years after the tax year in
23 which the credit is claimed and provide the written documentation to the
24 Department of Revenue upon request.

25 “(8) The credit shall be claimed on a form prescribed by the Department
26 of Revenue that contains the information required by the department.

27 “(9) Any tax credit otherwise allowable under this section that is not used
28 by the taxpayer in a particular tax year may be carried forward and offset
29 against the taxpayer’s tax liability for the next succeeding tax year. Any
30 credit remaining unused in the next succeeding tax year may be carried

1 forward and used in the second succeeding tax year, and likewise any credit
2 not used in that second succeeding tax year may be carried forward and used
3 in the third succeeding tax year, and any credit not used in that third suc-
4 ceeding tax year may be carried forward and used in the fourth succeeding
5 tax year, but may not be carried forward for any tax year thereafter.

6 “(10) In the case of a credit allowed under this section:

7 “(a) A nonresident shall be allowed the credit under this section in the
8 proportion provided in ORS 316.117.

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

12 “(c) If a change in the [*taxable*] **tax** year of the taxpayer occurs as de-
13 scribed in ORS 314.085, or if the department terminates the taxpayer’s [*tax-*
14 *able*] **tax** year under ORS 314.440, the credit allowed under this section shall
15 be prorated or computed in a manner consistent with ORS 314.085.

16 **“(11) The Director of the State Department of Energy may order the**
17 **suspension or revocation of a certification issued under this section,**
18 **as provided in section 4 of this 2019 Act.**

19 **“SECTION 7.** ORS 315.164 is amended to read:

20 “315.164. (1) A taxpayer who is the owner or operator of agriculture
21 workforce housing is allowed a credit against the taxes otherwise due under
22 ORS chapter 316, if the taxpayer is a resident individual, or against the taxes
23 otherwise due under ORS chapter 317, if the taxpayer is a corporation. The
24 total amount of the credit shall be equal to 50 percent of the eligible costs
25 actually paid or incurred by the taxpayer to complete an agriculture
26 workforce housing project, to the extent the eligible costs actually paid or
27 incurred by the taxpayer do not exceed the estimate of eligible costs ap-
28 proved by the Housing and Community Services Department under ORS
29 315.167.

30 “(2) A taxpayer who is otherwise eligible to claim a credit under this

1 section may elect to transfer all or a portion of the credit to a contributor
2 in the manner provided in ORS 315.169.

3 “(3)(a) The credit allowed under this section may be taken for the tax
4 year in which the agriculture workforce housing project is completed or in
5 any of the nine tax years succeeding the tax year in which the project is
6 completed.

7 “(b) The credit allowed in any one tax year may not exceed 20 percent
8 of the amount determined under subsection (1) of this section.

9 “(4)(a) To claim a credit under this section, a taxpayer must show in each
10 year following the completion of an agriculture workforce housing project
11 that the housing continues to be operated as agriculture workforce housing.

12 “(b) A taxpayer need not make the showing required in paragraph (a) of
13 this subsection if the Housing and Community Services Department waives
14 the requirement after the taxpayer has successfully met the requirement for
15 the first five years after completion of the agriculture workforce housing
16 project.

17 “(c) The Housing and Community Services Department shall determine
18 by rule the factors necessary to grant a waiver. Such factors may include a
19 documented decline in a particular area for agriculture workforce housing.

20 “(5) The credit shall apply only to an agriculture workforce housing
21 project that is located within this state and physically begun on or after
22 January 1, 1990.

23 “(6)(a) A credit may not be allowed under this section unless the taxpayer
24 claiming credit under this section:

25 “(A) Obtains a letter of credit approval from the Housing and Community
26 Services Department pursuant to ORS 315.167; and

27 “(B) Files with the [*Department of Revenue*] **Housing and Community**
28 **Services Department** an annual certification providing that all occupied
29 units for which credit is being claimed are occupied by agricultural workers,
30 including agricultural workers who are retired or disabled, and their imme-

1 diate families.

2 “(b) The certification described under this subsection shall be made on the
3 form and in the time and manner prescribed by the [*Department of Revenue*]
4 **Housing and Community Services Department.**

5 “(7) Except as provided under subsection (8) of this section, the credit
6 allowed in any one year may not exceed the tax liability of the taxpayer.

7 “(8) Any tax credit otherwise allowable under this section that is not used
8 by the taxpayer in a particular tax year may be carried forward and offset
9 against the taxpayer’s tax liability for the next succeeding tax year. Any
10 credit remaining unused in the next succeeding tax year may be carried
11 forward and used in the second succeeding tax year, and likewise any credit
12 not used in that second succeeding tax year may be carried forward and used
13 in the third succeeding tax year, and any credit not used in that third suc-
14 ceeding tax year may be carried forward and used in the fourth succeeding
15 tax year, and any credit not used in that fourth succeeding tax year may be
16 carried forward and used in the fifth succeeding tax year, and any credit not
17 used in that fifth succeeding tax year may be carried forward and used in
18 the sixth succeeding tax year, and any credit not used in that sixth suc-
19 ceeding tax year may be carried forward and used in the seventh succeeding
20 tax year, and any credit not used in that seventh succeeding tax year may
21 be carried forward and used in the eighth succeeding tax year, and any credit
22 not used in that eighth succeeding tax year may be carried forward and used
23 in the ninth succeeding tax year, but may not be carried forward for any tax
24 year thereafter.

25 “(9)(a) The credit provided by this section is not in lieu of any depreci-
26 ation or amortization deduction for the agriculture workforce housing
27 project to which the taxpayer otherwise may be entitled under ORS chapter
28 316 or 317 for the year.

29 “(b) The taxpayer’s adjusted basis for determining gain or loss may not
30 be further decreased by any tax credits allowed under this section.

1 “(10) For a taxpayer to receive a credit under this section, the agriculture
2 workforce housing must:

3 “(a) Comply with all occupational safety or health laws, rules, regulations
4 and standards;

5 “(b) If registration is required, be registered as a farmworker camp with
6 the Department of Consumer and Business Services under ORS 658.750;

7 “(c) Upon occupancy and if an indorsement is required, be operated by a
8 person who holds a valid indorsement as a farmworker camp operator under
9 ORS 658.730; and

10 “(d) Continue to be operated as agriculture workforce housing for a pe-
11 riod of at least 10 years after the completion of the agriculture workforce
12 housing project, unless a waiver has been granted under subsection (4) of
13 this section.

14 “[*(11)(a) Pursuant to the procedures for a contested case under ORS chapter*
15 *183, the Department of Revenue may order the disallowance of the credit al-*
16 *lowed under this section if it finds, by order, that:*]

17 “[*(A) The credit was obtained by fraud or misrepresentation; or*]

18 “**(11) The Director of the Housing and Community Services Depart-**
19 **ment may order the suspension or revocation of a letter of credit ap-**
20 **proval issued under ORS 315.167 or the disallowance of a credit allowed**
21 **under this section, as provided in section 4 of this 2019 Act:**

22 “**(a) For the reasons set forth in section 4 of this 2019 Act; or**

23 “[*(B)*] **(b) In the event that an owner or operator claims or claimed the**
24 **credit, if the director finds that:**

25 “[*(i)*] **(A) The taxpayer has failed to continue to substantially comply with**
26 **the occupational safety or health laws, rules, regulations or standards;**

27 “[*(ii)*] **(B) After occupancy and if registration is required, the agriculture**
28 **workforce housing is not registered as a farmworker camp with the Depart-**
29 **ment of Consumer and Business Services under ORS 658.750;**

30 “[*(iii)*] **(C) After occupancy and if an indorsement is required, the agri-**

1 culture workforce housing is not operated by a person who holds a valid
2 indorsement as a farmworker camp operator under ORS 658.730; or

3 “[*iv*)] **(D)** The taxpayer has failed to make a showing that the housing
4 continues to be operated as agriculture workforce housing as required under
5 subsection (4)(a) of this section and the taxpayer has not been granted a
6 waiver by the Housing and Community Services Department under sub-
7 section (4)(b) of this section.

8 “[*b*) *If the tax credit is disallowed pursuant to this subsection, notwith-*
9 *standing ORS 314.410 or other law, all prior tax relief provided to the taxpayer*
10 *shall be forfeited and the Department of Revenue shall proceed to collect those*
11 *taxes not paid by the taxpayer as a result of the prior granting of the credit.*]

12 “[*c*) *If the tax credit is disallowed pursuant to this subsection, the taxpayer*
13 *shall be denied any further credit provided under this section, in connection*
14 *with the agriculture workforce housing project, as the case may be, from and*
15 *after the date that the order of disallowance becomes final.*]

16 “(12) In the event that the agriculture workforce housing is destroyed by
17 fire, flood, natural disaster or act of God before all of the credit has been
18 used, the taxpayer may nevertheless claim the credit as if no destruction had
19 taken place. In the event of fire, if the fire chief of the fire protection district
20 or unit determines that the fire was caused by arson, as defined in ORS
21 164.315 and 164.325, by the taxpayer or by another at the taxpayer’s direction,
22 then the fire chief shall notify the [*Department of Revenue*] **Housing and**
23 **Community Services Department**. Upon conviction of arson, the depart-
24 ment [*of Revenue*] shall disallow the credit in accordance with subsection (11)
25 of this section.

26 “(13)(a) A nonresident individual shall be allowed the credit computed in
27 the same manner and subject to the same limitations as the credit allowed
28 a resident by this section. However, the credit shall be prorated using the
29 proportion provided in ORS 316.117.

30 “(b) If a change in the [*taxable*] **tax** year of a taxpayer occurs as described

1 in ORS 314.085, or if the Department of Revenue terminates the taxpayer's
2 [taxable] tax year under ORS 314.440, the credit allowed by this section shall
3 be prorated or computed in a manner consistent with ORS 314.085.

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

7 “(14)(a) The Department of Revenue may adopt rules for carrying out the
8 provisions of this section.

9 “(b) **The Housing and Community Services Department may adopt**
10 **rules for providing letters of credit approval and granting certification**
11 **and for monitoring taxpayer compliance with this section.**

12 “(15) **The Housing and Community Services Department shall pro-**
13 **vide information to the Department of Revenue about all letters of**
14 **credit approval and certifications granted under this section, if re-**
15 **quired by section 3 of this 2019 Act.**

16 “**SECTION 8.** ORS 315.169 is amended to read:

17 “315.169. (1) A taxpayer that is a contributor is allowed a credit against
18 the taxes otherwise due under ORS chapter 316, if the taxpayer is a resident
19 individual, or ORS chapter 317, if the taxpayer is a corporation, to the extent
20 the owner or operator of agriculture workforce housing transferred all or a
21 portion of the credit allowed to the owner or operator under ORS 315.164.

22 “(2) An owner or operator of agriculture workforce housing may transfer
23 all or a portion of the credit allowed to the owner or operator under ORS
24 315.164 to one or more contributors but the amount transferred may not total
25 more than the total credit the owner or operator may claim. **The transfer**
26 **must comply with section 2 of this 2019 Act.**

27 “(3) To receive a credit under this section:

28 “(a) The contributor must obtain a letter of credit approval from the
29 Housing and Community Services Department under ORS 315.167; or

30 “(b) If the owner or operator of agriculture workforce housing elects to

1 transfer all or a portion of the credit allowed under ORS 315.164 after the
2 date that a letter of credit approval has been issued to the owner or operator,
3 the owner or operator and the contributor must *[jointly file a statement with*
4 *the Department of Revenue stating the portion of the credit the contributor is*
5 *allowed to claim and any other information the department may require by*
6 *rule]* **comply with section 2 of this 2019 Act.**

7 “(4) A contributor remains eligible to receive a credit under this section
8 even if the owner or operator of the agriculture workforce housing becomes
9 ineligible for the credit as a result of:

10 “(a) Failure to file the annual certification under ORS 315.164 (6);

11 “(b) Failure to continue to substantially comply with occupational safety
12 or health laws, rules, regulations or standards under ORS 315.164 (10);

13 “(c) Failure to register as a farmworker camp with the Department of
14 Consumer and Business Services under ORS 658.750;

15 “(d) Failure of the operator to hold a valid indorsement as a farmworker
16 camp operator under ORS 658.730; or

17 “(e) Failure to comply with any other rules or provisions relating to the
18 operation or maintenance of the agriculture workforce housing after work
19 on the agriculture workforce housing project has been completed.

20 “[5)(a) A contributor does not remain eligible to receive a credit under this
21 section if the Department of Revenue finds, by order of a disallowance of credit
22 and pursuant to the procedures for a contested case under ORS chapter 183,
23 that the contributor obtained the credit by fraud or misrepresentation, includ-
24 ing a finding that the housing did not comply with all occupational safety or
25 health laws, rules, regulations and standards applicable for agriculture
26 workforce housing at the time the housing was completed.]

27 “[b) If the credit is disallowed pursuant to this subsection, notwithstand-
28 ing ORS 314.410 or other law, all prior tax relief provided to the taxpayer
29 shall be forfeited and the department shall proceed to collect those taxes not
30 paid by the taxpayer as a result of the prior granting of the credit.]

1 “(c) *If the credit is disallowed pursuant to this subsection, the taxpayer*
2 *shall be denied any further credit provided under this section, in connection*
3 *with the agriculture workforce housing project, as the case may be, from and*
4 *after the date that the order of disallowance becomes final.*]

5 “[(6)(a)] **(5)(a)** The credit allowed under this section may be taken for the
6 tax year in which the agriculture workforce housing project is completed or
7 in any of the nine tax years succeeding the tax year in which the project is
8 completed.

9 “(b) The credit allowed in any one tax year may not exceed 20 percent
10 of the amount determined under subsection (2) of this section that was
11 transferred to the contributor claiming the credit.

12 “[(7)] **(6)** Except as provided under subsection [(8)] **(7)** of this section, the
13 credit allowed in any one year may not exceed the tax liability of the tax-
14 payer.

15 “[(8)] **(7)** Any tax credit otherwise allowable under this section that is
16 not used by the taxpayer in a particular tax year may be carried forward and
17 offset against the taxpayer’s tax liability for the next succeeding tax year.
18 Any credit remaining unused in [such] **the** next succeeding tax year may be
19 carried forward and used in the second succeeding tax year, and likewise any
20 credit not used in that second succeeding tax year may be carried forward
21 and used in the third succeeding tax year, and any credit not used in that
22 third succeeding tax year may be carried forward and used in the fourth
23 succeeding tax year, and any credit not used in that fourth succeeding tax
24 year may be carried forward and used in the fifth succeeding tax year, and
25 any credit not used in that fifth succeeding tax year may be carried forward
26 and used in the sixth succeeding tax year, and any credit not used in that
27 sixth succeeding tax year may be carried forward and used in the seventh
28 succeeding tax year, and any credit not used in that seventh succeeding tax
29 year may be carried forward and used in the eighth succeeding tax year, and
30 any credit not used in that eighth succeeding tax year may be carried for-

1 ward and used in the ninth succeeding tax year, but may not be carried
2 forward for any tax year thereafter.

3 “[~~(9)(a)~~] **(8)(a)** A nonresident individual shall be allowed the credit com-
4 puted in the same manner and subject to the same limitations as the credit
5 allowed a resident by this section. However, the credit shall be prorated
6 using the proportion provided in ORS 316.117.

7 “(b) If a change in the [~~taxable~~] **tax** year of a taxpayer occurs as described
8 in ORS 314.085, or if the Department **of Revenue** terminates the taxpayer’s
9 [~~taxable~~] **tax** year under ORS 314.440, the credit allowed by this section shall
10 be prorated or computed in a manner consistent with ORS 314.085.

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

14 “[~~(10)~~] **(9)** The Department **of Revenue** may adopt rules for carrying out
15 the provisions of this section.

16 “**SECTION 9.** ORS 317.097, as amended by section 24, chapter 101, Oregon
17 Laws 2018, and section 3, chapter 111, Oregon Laws 2018, is amended to read:

18 “317.097. (1) As used in this section:

19 “(a) ‘Annual rate’ means the yearly interest rate specified on the note,
20 and not the annual percentage rate, if any, disclosed to the applicant to
21 comply with the federal Truth in Lending Act.

22 “(b) ‘Finance charge’ means the total of all interest, loan fees, interest
23 on any loan fees financed by the lending institution, and other charges re-
24 lated to the cost of obtaining credit.

25 “(c) ‘Lending institution’ means any insured institution, as that term is
26 defined in ORS 706.008, any mortgage banking company that maintains an
27 office in this state or any community development corporation that is or-
28 ganized under the Oregon Nonprofit Corporation Law.

29 “(d) ‘Manufactured dwelling park’ has the meaning given that term in
30 ORS 446.003.

1 “(e) ‘Nonprofit corporation’ means a corporation that is exempt from in-
2 come taxes under section 501(c)(3) or (4) of the Internal Revenue Code as
3 amended and in effect on December 31, 2017.

4 “(f) ‘Preservation project’ means housing that was previously developed
5 as affordable housing with a contract for rent assistance from the United
6 States Department of Housing and Urban Development or the United States
7 Department of Agriculture and that is being acquired by a sponsoring entity.

8 “(g) ‘Qualified assignee’ means any investor participating in the second-
9 ary market for real estate loans.

10 “(h) ‘Qualified borrower’ means any borrower that is a sponsoring entity
11 that has a controlling interest in the real property that is financed by a
12 qualified loan. A controlling interest includes a controlling interest in the
13 general partner of a limited partnership that owns the real property.

14 “(i) ‘Qualified loan’ means:

15 “(A) A loan that meets the criteria stated in subsection (5) of this section
16 or that is made to refinance a loan that meets the criteria described in sub-
17 section (5) of this section; or

18 “(B) The purchase by a lending institution of bonds, as defined in ORS
19 286A.001, issued on behalf of the Housing and Community Services Depart-
20 ment, the proceeds of which are used to finance or refinance a loan that
21 meets the criteria described in subsection (5) of this section.

22 “(j) ‘Sponsoring entity’ means a nonprofit corporation, nonprofit cooper-
23 ative, state governmental entity, local unit of government as defined in ORS
24 466.706, housing authority or any other person, provided that the person has
25 agreed to restrictive covenants imposed by a nonprofit corporation, nonprofit
26 cooperative, state governmental entity, local unit of government or housing
27 authority.

28 “(2) The Department of Revenue shall allow a credit against taxes other-
29 wise due under this chapter for the [*taxable*] **tax** year to a lending institution
30 that makes a qualified loan certified by the Housing and Community Services

1 Department as provided in subsection (7) of this section. The amount of the
2 credit is equal to the difference between:

3 “(a) The amount of finance charge charged by the lending institution
4 during the [taxable] tax year at an annual rate less than the market rate for
5 a qualified loan that is made before January 1, 2026, that complies with the
6 requirements of this section; and

7 “(b) The amount of finance charge that would have been charged during
8 the [taxable] tax year by the lending institution for the qualified loan for
9 housing construction, development, acquisition or rehabilitation measured
10 at the annual rate charged by the lending institution for nonsubsidized loans
11 made under like terms and conditions at the time the qualified loan for
12 housing construction, development, acquisition or rehabilitation is made.

13 “(3) The maximum amount of credit for the difference between the
14 amounts described in subsection (2)(a) and (b) of this section may not exceed
15 four percent of the average unpaid balance of the qualified loan during the
16 tax year for which the credit is claimed.

17 “(4) Any tax credit allowed under this section that is not used by the
18 taxpayer in a particular year may be carried forward and offset against the
19 taxpayer’s tax liability for the next succeeding tax year. Any credit remain-
20 ing unused in the next succeeding tax year may be carried forward and used
21 in the second succeeding tax year, and likewise, any credit not used in that
22 second succeeding tax year may be carried forward and used in the third
23 succeeding tax year, and any credit not used in that third succeeding tax
24 year may be carried forward and used in the fourth succeeding tax year, and
25 any credit not used in that fourth succeeding tax year may be carried for-
26 ward and used in the fifth succeeding tax year, but may not be carried for-
27 ward for any tax year thereafter.

28 “(5) To be eligible for the tax credit allowable under this section, a
29 lending institution must make a qualified loan by either purchasing bonds,
30 as defined in ORS 286A.001, issued on behalf of the Housing and Community

1 Services Department, the proceeds of which are used to finance or refinance
2 a loan that meets the criteria stated in this subsection, or by making a loan
3 directly to:

4 “(a) An individual or individuals who own a dwelling, participate in an
5 owner-occupied community rehabilitation program and are certified by the
6 local government or its designated agent as having an income level when the
7 loan is made of less than 80 percent of the area median income;

8 “(b) A qualified borrower who:

9 “(A) Uses the loan proceeds to finance construction, development, acqui-
10 sition or rehabilitation of housing; and

11 “(B) Provides a written certification executed by the Housing and Com-
12 munity Services Department that the:

13 “(i) Housing created by the loan is or will be occupied by households
14 earning less than 80 percent of the area median income; and

15 “(ii) Full amount of savings from the reduced interest rate provided by
16 the lending institution is or will be passed on to the tenants in the form of
17 reduced housing payments;

18 “(c) Subject to subsection (14) of this section, a qualified borrower who:

19 “(A) Uses the loan proceeds to finance construction, development, acqui-
20 sition or rehabilitation of housing consisting of a manufactured dwelling
21 park; and

22 “(B) Provides a written certification executed by the Housing and Com-
23 munity Services Department that the housing will continue to be operated
24 as a manufactured dwelling park during the period for which the tax credit
25 is allowed; or

26 “(d) A qualified borrower who:

27 “(A) Uses the loan proceeds to finance acquisition or rehabilitation of
28 housing consisting of a preservation project; and

29 “(B) Provides a written certification executed by the Housing and Com-
30 munity Services Department that the housing preserved by the loan:

1 “(i) Is or will be occupied by households earning less than 80 percent of
2 the area median income; and

3 “(ii) Is the subject of a rent assistance contract with the United States
4 Department of Housing and Urban Development or the United States De-
5 partment of Agriculture that will be maintained by the qualified borrower.

6 “(6) A loan made to refinance a loan that meets the criteria stated in
7 subsection (5) of this section must be treated the same as a loan that meets
8 the criteria stated in subsection (5) of this section.

9 “(7) For a qualified loan to be eligible for the tax credit allowable under
10 this section, the Housing and Community Services Department must execute
11 a written certification for the qualified loan that:

12 “(a) Specifies the period, not to exceed 20 years, as determined by the
13 Housing and Community Services Department, during which the tax credit
14 is allowed for the qualified loan; and

15 “(b) States that the qualified loan is within the limitation imposed by
16 subsection (8) of this section.

17 “(8) The Housing and Community Services Department may certify quali-
18 fied loans that are eligible under subsection (5) of this section if the total
19 credits attributable to all qualified loans eligible for credits under this sec-
20 tion and then outstanding do not exceed \$25 million for any fiscal year. In
21 making loan certifications under subsection (7) of this section, the Housing
22 and Community Services Department shall attempt to distribute the tax
23 credits statewide, but shall concentrate the tax credits in those areas of the
24 state that are determined by the Oregon Housing Stability Council to have
25 the greatest need for affordable housing.

26 “(9) The tax credit provided for in this section may be taken whether or
27 not:

28 “(a) The financial institution is eligible to take a federal income tax
29 credit under section 42 of the Internal Revenue Code with respect to the
30 project financed by the qualified loan; or

1 “(b) The project receives financing from bonds, the interest on which is
2 exempt from federal taxation under section 103 of the Internal Revenue Code.

3 “(10) For a qualified loan defined in subsection (1)(i)(B) of this section
4 financed through the purchase of bonds, the interest of which is exempt from
5 federal taxation under section 103 of the Internal Revenue Code, the amount
6 of finance charge that would have been charged under subsection (2)(b) of
7 this section is determined by reference to the finance charge that would have
8 been charged if the federally tax exempt bonds had been issued and the tax
9 credit under this section did not apply.

10 “(11) A lending institution may sell a qualified loan for which a certi-
11 fication has been executed to a qualified assignee whether or not the lending
12 institution retains servicing of the qualified loan so long as a designated
13 lending institution maintains records, annually verified by a loan servicer,
14 that establish the amount of tax credit earned by the taxpayer throughout
15 each year of eligibility.

16 “(12) Notwithstanding any other provision of law, a lending institution
17 that is a community development corporation organized under the Oregon
18 Nonprofit Corporation Law may transfer all or part of a tax credit allowed
19 under this section to one or more other lending institutions that are stock-
20 holders or members of the community development corporation or that oth-
21 erwise participate through the community development corporation in the
22 making of one or more qualified loans for which the tax credit under this
23 section is allowed.

24 “(13) The lending institution shall file an annual statement with the
25 Housing and Community Services Department, specifying that it has con-
26 formed with all requirements imposed by law to qualify for a tax credit under
27 this section.

28 “(14) Notwithstanding subsection (1)(h) and (j) of this section, a qualified
29 borrower on a loan to finance the construction, development, acquisition or
30 rehabilitation of a manufactured dwelling park under subsection (5)(c) of this

1 section must be:

2 “(a) A nonprofit corporation, manufactured dwelling park nonprofit co-
3 operative, state governmental entity, local unit of government as defined in
4 ORS 466.706 or housing authority; or

5 “(b) A nonprofit corporation or housing authority that has a controlling
6 interest in the real property that is financed by a qualified loan. A control-
7 ling interest includes a controlling interest in the general partner of a lim-
8 ited partnership that owns the real property.

9 “**(15) The Department of Revenue may require that a lending insti-
10 tution that has earned the credit and a lending institution that intends
11 to claim the credit jointly file a notice, as prescribed by the Depart-
12 ment of Revenue. The notice must comply with section 2 (2) or 3 (2)
13 of this 2019 Act.**

14 “**(16) The Housing and Community Services Department shall pro-
15 vide information to the Department of Revenue about all certifications
16 executed under this section, if required by section 3 of this 2019 Act.**

17 “[~~(15)~~] **(17)** The Housing and Community Services Department and the
18 Department of Revenue may adopt rules to carry out the provisions of this
19 section.

20 “**SECTION 10.** ORS 315.176, as amended by section 1, chapter 111, Oregon
21 Laws 2018, is amended to read:

22 “315.176. (1) As used in this section:

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

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

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

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

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

1 “(c) ‘Bovine manure’ means, subject to subsection (2) of this section, cat-
2 tle manure that is produced on Oregon farms.

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

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

7 “(2) The Director of Agriculture may adopt rules to define criteria, only
8 as the criteria apply to bovine manure, to determine additional character-
9 istics of bovine manure for purposes of this section.

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

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

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

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

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

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

28 “(6) All fees collected under this section shall be deposited in the State
29 Treasury to the credit of the Department of Agriculture Service Fund.
30 Moneys deposited under this section are continuously appropriated to the

1 department for the purpose of administering and enforcing the provisions of
2 this section.

3 “(7)[(a)] The Department of Revenue may require that the State Depart-
4 ment of Agriculture provide information about the certification issued under
5 this section, **if required by section 3 of this 2019 Act.** *[including the name*
6 *and taxpayer identification number of the taxpayer or other person receiving*
7 *certification, the date the certification was issued in its final form, the ap-*
8 *proved amount of credit and the first tax year for which the credit may be*
9 *claimed.]*

10 “[b) A taxpayer that is a pass-through entity that has received certification
11 under this section shall provide to the Department of Revenue within two
12 months after the close of the tax year in which the certification was issued the
13 name, taxpayer identification number and any other information required by
14 the department of each owner receiving a distributive share of the credit, in a
15 manner prescribed by the department.]

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

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

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

25 “(11) Any tax credit otherwise allowable under this section that is not
26 used by the taxpayer in a particular tax year may be carried forward and
27 offset against the taxpayer’s tax liability for the next succeeding tax year.
28 Any credit remaining unused in the next succeeding tax year may be carried
29 forward and used in the second succeeding tax year, and likewise any credit
30 not used in that second succeeding tax year may be carried forward and used

1 in the third succeeding tax year, and any credit not used in that third suc-
2 ceeding tax year may be carried forward and used in the fourth succeeding
3 tax year, but may not be carried forward for any tax year thereafter.

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

5 “(a) A nonresident shall be allowed the credit under this section in the
6 proportion provided in ORS 316.117.

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

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

14 **“(13) A person that has earned a tax credit under this section may**
15 **transfer the credit to a taxpayer subject to tax under ORS chapter 316,**
16 **317 or 318. The transfer must comply with section 2 of this 2019 Act.**

17 **“(14) The Director of Agriculture may order the suspension or re-**
18 **vocation of a certification issued under this section, as provided in**
19 **section 4 of this 2019 Act.**

20 **“SECTION 11.** ORS 469B.118 is amended to read:

21 *“469B.118. [(1) Upon the Department of Revenue’s own motion, or upon re-*
22 *quest of the State Department of Energy, the Department of Revenue may ini-*
23 *tiate proceedings for the forfeiture of a tax credit allowed under ORS 316.116*
24 *if:]*

25 *“[(a) The verification was fraudulent because of a misrepresentation by the*
26 *taxpayer;]*

27 *“[(b) The verification was fraudulent because of a misrepresentation by the*
28 *contractor;]*

29 **“(1) The Director of the State Department of Energy may order the**
30 **forfeiture of a tax credit allowed under ORS 316.116, as provided in**

1 **section 4 of this 2019 Act:**

2 **“(a) For the reasons set forth in section 4 of this 2019 Act; or**

3 **“(b) If the director finds that:**

4 “[c] (A) The alternative energy device has not been constructed, in-
5 stalled or operated in substantial compliance with the requirements of ORS
6 469B.100 to 469B.118; or

7 “[d] (B) The taxpayer failed to consent to an inspection of the con-
8 structed or installed alternative energy device by the State Department of
9 Energy after a reasonable, written request for such an inspection by the
10 State Department of Energy.

11 “(2) *[Pursuant to the procedures for a contested case under ORS chapter*
12 *183,]* The Director of the State Department of Energy may order the revoca-
13 tion of a contractor certificate issued under ORS 469B.106, **as provided in**
14 **section 4 of this 2019 Act:**

15 **“(a) For the reasons set forth in section 4 of this 2019 Act; or**

16 **“(b) If the director finds that:**

17 “[a] *The contractor certificate was obtained by fraud or misrepresentation*
18 *by the contractor certificate holder;]*

19 “[b] (A) The contractor’s performance for the alternative energy device
20 for which the contractor is issued a certificate under ORS 469B.106 does not
21 meet industry standards; or

22 “[c] (B) The contractor has misrepresented to the customer either the
23 tax credit program or the nature or quality of the alternative energy device.

24 “[3] *If the tax credit allowed under ORS 316.116 for the purchase, con-*
25 *struction or installation of an alternative energy device is ordered forfeited due*
26 *to an action of the taxpayer under subsection (1)(a), (c) or (d) of this section,*
27 *all prior tax relief provided to the taxpayer shall be forfeited and the Depart-*
28 *ment of Revenue shall proceed to collect those taxes not paid by the taxpayer*
29 *as a result of the tax credit relief under ORS 316.116.]*

30 “[4] (3) If the tax credit for the construction or installation of an al-

1 ternative energy device is ordered forfeited due to an action of the contractor
2 [*under subsection (1)(b) of this section*], the Department of Revenue shall
3 proceed to collect, from the contractor, an amount equivalent to those taxes
4 not paid by the taxpayer as a result of the tax credit relief under ORS
5 316.116. [*As long as*] **If** the forfeiture is due to an action of the contractor
6 and not to an action of the taxpayer, the assessment of [*such*] **these** taxes
7 shall be levied on the contractor and not on the taxpayer. Notwithstanding
8 ORS 314.835, the Department of Revenue may disclose information from in-
9 come tax returns or reports to the extent such disclosure is necessary to
10 collect amounts from contractors under this subsection.

11 “[~~(5)~~] **(4)** In order to obtain information necessary to verify eligibility and
12 amount of the tax credit, the State Department of Energy or its represen-
13 tative may inspect an alternative energy device that has been purchased,
14 constructed or installed. The inspection shall be made only with the consent
15 of the owner of the dwelling. Failure to consent to the inspection is grounds
16 for the forfeiture of any tax credit relief under ORS 316.116. The Department
17 of Revenue shall proceed to collect any taxes due according to subsection
18 [~~(4)~~] **(3)** of this section. For electrical generating alternative energy devices,
19 the State Department of Energy may obtain energy consumption records for
20 the dwelling the device serves, for a 12-month period, in order to verify el-
21 igibility and amount of the tax credit.

22 “**SECTION 12.** ORS 469B.991 is amended to read:

23 “469B.991. (1) The Director of the State Department of Energy may impose
24 a civil penalty against a contractor if a contractor certificate is revoked
25 under ORS 469B.118. The amount of the penalty shall be equal to the total
26 amount of tax relief estimated to have been provided under ORS 316.116 to
27 the contractor or to purchasers of the system for which a contractor’s cer-
28 tificate has been revoked.

29 “(2) The State Department of Energy may not collect any of the amount
30 of a civil penalty imposed under subsection (1) of this section from a pur-

1 chaser of the system for which the final certificate has been revoked. [*How-*
2 *ever, the Department of Revenue shall proceed under ORS 469B.118 (3) to*
3 *collect taxes not paid by a taxpayer if the tax credit is ordered forfeited be-*
4 *cause of that taxpayer's fraud or misrepresentation under ORS 469B.118*
5 *(1)(a).*]

6 “(3) Civil penalties under this section shall be imposed as provided in
7 ORS 183.745.

8 “(4) A penalty recovered under this section shall be paid into the State
9 Treasury and credited to the General Fund and is available for general gov-
10 ernmental expenses.

11 **“SECTION 13.** ORS 469B.300 is amended to read:

12 “469B.300. [(1) *Under the procedures for a contested case under ORS*
13 *chapter 183, the Director of the State Department of Energy may order the re-*
14 *vocation of a certificate issued under ORS 469B.291]*

15 **“(1) The Director of the State Department of Energy may order the**
16 **suspension or revocation of a certificate or a portion of a certificate**
17 **issued under ORS 469B.291, as provided in section 4 of this 2019 Act:**

18 **“(a) For the reasons set forth in section 4 of this 2019 Act; or**

19 **“(b) If the director finds that:**

20 **“[(a) *The certification was obtained by fraud or misrepresentation;*]**

21 **“[(b)] (A) The holder of the certificate or the operator of the project has**
22 **failed to construct or operate the project in compliance with the plans,**
23 **specifications and [procedures] contract terms in the certificate; or**

24 **“[(c)] (B) The project is no longer in operation.**

25 **“[(2) *As soon as an order of revocation under this section becomes final, the***
26 ***director shall notify the Department of Revenue and the project owner, contract***
27 ***purchaser or lessee of the order of revocation. Upon notification, the Depart-***
28 ***ment of Revenue immediately shall proceed to collect those taxes not paid by***
29 ***the certificate holder as a result of the tax credits provided to the certificate***
30 ***holder under ORS 315.331, from the certificate holder or a successor in interest***

1 to the business interests of the certificate holder. All prior tax credits provided
2 to the holder of the certificate by virtue of the certificate shall be forfeited.]

3 “[3)(a) The Department of Revenue shall have the benefit of all laws of this
4 state pertaining to the collection of income and excise taxes and may proceed
5 to collect the amounts described in subsection (2) of this section from the per-
6 son that obtained certification from the State Department of Energy, or any
7 successor in interest to the business interests of that person. An assessment of
8 tax is not necessary and a statute of limitation does not preclude the collection
9 of taxes described in this subsection.]

10 “[b) For purposes of this subsection, a lender, bankruptcy trustee or other
11 person that acquires an interest through bankruptcy or through foreclosure of
12 a security interest is not considered to be a successor in interest to the business
13 interests of the person that obtained certification.]

14 “[4) If the certificate is ordered revoked pursuant to subsection (1)(b) of
15 this section, the certificate holder shall be denied any further relief under ORS
16 315.331 in connection with the project from and after the date that the order
17 of revocation becomes final.]

18 “[5) Notwithstanding subsections (1) to (4) of this section, a certificate or
19 portion of a certificate held by a transferee under ORS 469B.276 may not be
20 considered revoked for purposes of the transferee, the tax credit allowable to
21 the transferee under ORS 469B.276 may not be reduced, and a transferee is
22 not liable under subsections (2) to (4) of this section.]

23 “[6) (2) If the project owner is subject to a performance agreement re-
24 quiring recertification under ORS 469B.298, the certificate shall be consid-
25 ered revoked as to any portion of the tax credit that has not previously
26 received approval under a recertification application that was required to
27 have been filed pursuant to ORS 469B.298.

28 **“SECTION 14.** ORS 469B.341 is amended to read:

29 “469B.341. **The Director of the State Department of Energy may or-**
30 **der the suspension or revocation of a certificate or a portion of a**

1 **certificate issued under ORS 469B.332, as provided in section 4 of this**
2 **2019 Act, for the reasons set forth in section 4 of this 2019 Act or if the**
3 **director finds that:**

4 **“(1) The holder of the certificate or the operator of the transporta-**
5 **tion project has failed to acquire or perform the project in compliance**
6 **with the plans, specifications and contract terms in the certificate; or**

7 **“(2) The project is no longer in operation.**

8 *“(1) Under the procedures for a contested case under ORS chapter 183, the*
9 *Director of the State Department of Energy may order the revocation of a cer-*
10 *tificate issued under ORS 469B.332 if the director finds that:]*

11 *“(a) The certification was obtained by fraud or misrepresentation;]*

12 *“(b) The holder of the certificate or the operator of the transportation*
13 *project has failed to acquire or perform the project in compliance with the*
14 *plans, specifications and contract terms in the certificate; or]*

15 *“(c) The project is no longer in operation.]*

16 *“(2) As soon as an order of revocation under this section becomes final, the*
17 *director shall notify the Department of Revenue and the project owner, contract*
18 *purchaser or lessee of the order of revocation. Upon notification, the Depart-*
19 *ment of Revenue immediately shall proceed to collect those taxes not paid by*
20 *the certificate holder as a result of the tax credits provided to the certificate*
21 *holder under ORS 315.336, from the certificate holder or a successor in interest*
22 *to the business interests of the certificate holder. All prior tax credits provided*
23 *to the holder of the certificate by virtue of the certificate shall be forfeited.]*

24 *“(3)(a) The Department of Revenue shall have the benefit of all laws of this*
25 *state pertaining to the collection of income and excise taxes and may proceed*
26 *to collect the amounts described in subsection (2) of this section from the per-*
27 *son that obtained certification from the State Department of Energy, or any*
28 *successor in interest to the business interests of that person. An assessment of*
29 *tax is not necessary and a statute of limitation does not preclude the collection*
30 *of taxes described in subsection (2) of this section.]*

1 “(b) For purposes of this subsection, a lender, bankruptcy trustee or other
2 person that acquires an interest through bankruptcy or through foreclosure of
3 a security interest is not considered to be a successor in interest to the business
4 interests of the person that obtained certification.]

5 “(4) If the certificate is ordered revoked pursuant to subsection (1)(b) of
6 this section, the certificate holder shall be denied any further relief under ORS
7 315.336 in connection with the project from and after the date that the order
8 of revocation becomes final.]

9 “(5) Notwithstanding subsections (1) to (4) of this section, a certificate or
10 portion of a certificate held by a transferee under ORS 469B.323 may not be
11 considered revoked for purposes of the transferee, the tax credit allowable to
12 the transferee under ORS 469B.323 may not be reduced, and a transferee is
13 not liable under subsections (2) to (4) of this section.]

14

15

“CERTIFICATION OF OTHER THAN TRANSFERABLE

16

TAX CREDIT PROVISIONS

17

18 “**SECTION 15.** ORS 315.521 is amended to read:

19 “315.521. (1) There shall be allowed a credit against the taxes that are
20 otherwise due under ORS chapter 316 or, if the taxpayer is a corporation,
21 under ORS chapter 317 or 318, based on amounts contributed in the tax year
22 to a university venture development fund established under ORS 350.550, to
23 the extent the university that established the fund issued a tax credit cer-
24 tificate to the taxpayer.

25 “(2) The total amount of the credit allowed to a taxpayer shall equal 60
26 percent of the contribution amount stated on the tax credit certificate, but
27 may not exceed \$600,000.

28 “(3) The credit allowed under this section in any one tax year may not
29 exceed the tax liability of the taxpayer for the tax year.

30 “(4) Any tax credit otherwise allowable under this section that is not used

1 by the taxpayer in a particular year may be carried forward and offset
2 against the taxpayer's tax liability for the next succeeding tax year. Any
3 credit remaining unused in such next succeeding tax year may be carried
4 forward and used in the second succeeding tax year, and likewise, any credit
5 not used in that second succeeding tax year may be carried forward and used
6 in the third succeeding tax year, but may not be carried forward for any tax
7 year thereafter.

8 “(5) In the case of a credit allowed under this section for purposes of ORS
9 chapter 316:

10 “(a) A nonresident shall be allowed the credit in the same manner and
11 subject to the same limitations as a resident. However, the credit shall be
12 prorated using the proportion provided in ORS 316.117.

13 “(b) If a change in the tax year of a taxpayer occurs as described in ORS
14 314.085 or if the Department of Revenue terminates the taxpayer's tax year
15 under ORS 314.440, the credit shall be prorated or computed in a manner
16 consistent with ORS 314.085.

17 “(c) If a change in the status of a taxpayer from resident to nonresident
18 or from nonresident to resident occurs, the credit shall be determined in a
19 manner consistent with ORS 316.117.

20 “(6) A taxpayer claiming a credit under this section shall add to federal
21 taxable income for Oregon tax purposes any amount that is deducted for
22 federal tax purposes and that also serves as the basis for the credit allowed
23 under this section.

24 **“(7) All universities that issue tax credit certificates under this**
25 **section shall provide information to the Department of Revenue about**
26 **all taxpayers that are eligible for a tax credit under this section, if**
27 **required by section 3 of this 2019 Act.**

28 **“SECTION 16.** ORS 315.622 is amended to read:

29 “315.622. (1) A resident or nonresident individual who is certified as eli-
30 gible under ORS 442.561 to 442.570 and who is licensed as an emergency

1 medical services provider under ORS chapter 682 shall be allowed a credit
2 against the taxes that are otherwise due under ORS chapter 316 if the Office
3 of Rural Health certifies that the individual provides volunteer emergency
4 medical services in a rural area that comprise at least 20 percent of the total
5 emergency medical services provided by the individual in the tax year.

6 “(2) The amount of the credit shall equal \$250.

7 “(3) A nonresident shall be allowed the credit under this section in the
8 proportion provided in ORS 316.117. If a change in the status of a taxpayer
9 from resident to nonresident or from nonresident to resident occurs, the
10 credit allowed by this section shall be determined in a manner consistent
11 with ORS 316.117.

12 “(4) As used in this section, ‘rural area’ means a geographic area that is
13 located at least 25 miles from any city with a population of 30,000 or more.

14 **“(5) The Office of Rural Health shall provide information to the**
15 **Department of Revenue about all taxpayers that are eligible for a tax**
16 **credit under this section, if required by section 3 of this 2019 Act.**

17 **“SECTION 17.** ORS 285C.650 is amended to read:

18 “285C.650. (1) A qualified community development entity that seeks to
19 have an equity investment or long-term debt security certified as a qualified
20 equity investment and eligible for a tax credit under ORS 315.533 shall apply
21 to the Oregon Business Development Department. The department shall es-
22 tablish by rule application procedures for applications for certification. The
23 entity must submit an application on a form that the department provides
24 that includes:

25 “(a) The entity’s name, address, tax identification number and evidence
26 of the entity’s certification as a qualified community development entity.

27 “(b) A copy of an allocation agreement executed by the entity, or its
28 controlling entity, and the Community Development Financial Institutions
29 Fund that includes the State of Oregon in its service area.

30 “(c) A certificate executed by an executive officer of the entity attesting

1 that the allocation agreement remains in effect and has not been revoked or
2 canceled by the Community Development Financial Institutions Fund.

3 “(d) A description of the proposed purchase price, structure and purchaser
4 of the equity investment or long-term debt security.

5 “(e) The name and tax identification number of any person eligible to
6 claim a tax credit, under ORS 315.533, allowed as a result of the certification
7 of the qualified equity investment.

8 “(f) Information regarding the proposed use of proceeds from the issuance
9 of the qualified equity investment.

10 “(g) A nonrefundable application fee of \$20,000. This fee shall be paid to
11 the department and shall be required for each application submitted.

12 “(2) Within 15 days after receipt of a completed application containing the
13 information necessary for the department to certify a proposed equity in-
14 vestment, including the payment of the application fee, the department shall
15 grant or deny the application in full or in part. If the department denies any
16 part of the application, the department shall inform the qualified community
17 development entity of the grounds for the denial. If the qualified community
18 development entity provides any additional information required by the de-
19 partment or otherwise completes its application within 15 days after the no-
20 tice of denial, the application shall be considered completed as of the
21 original date of submission. If the qualified community development entity
22 fails to provide the information or complete its application within the 15-day
23 period, the application remains denied and must be resubmitted in full with
24 a new submission date.

25 “(3) If the application is deemed complete, the department shall certify the
26 proposed equity investment or long-term debt security as a qualified equity
27 investment and eligible for a tax credit under ORS 315.533, subject to the
28 limitations in ORS 315.536. The department shall provide written notice of
29 the certification to the qualified community development entity. The notice
30 shall include the names of those taxpayers who are eligible to utilize the

1 credits and their respective credit amounts. If the names of the persons or
2 entities that are eligible to utilize the credits change due to a transfer of a
3 qualified equity investment or a change in an allocation pursuant to ORS
4 315.536, the qualified community development entity shall notify the depart-
5 ment of **the transfer of the change as provided in section 2 (2) and (3)**
6 **of this 2019 Act.**

7 “(4)(a) Except as provided in paragraph (b) of this subsection, within 60
8 days after receiving notice of certification, a qualified community develop-
9 ment entity shall issue the qualified equity investment and receive cash in
10 the amount of the certified purchase price. The qualified community devel-
11 opment entity must provide the department with evidence of the receipt of
12 the cash investment within 10 business days after receipt.

13 “(b) For a qualified equity investment described in ORS 285C.653 (2), a
14 qualified community development entity shall issue the qualified equity in-
15 vestment during the period beginning July 1, 2012, and ending 60 days after
16 receiving notice of certification. If the qualified equity investment is issued
17 prior to the submission of an application for certification under this section,
18 the qualified community development entity must provide the department
19 with evidence of the qualified equity investment and of receipt of the cash
20 investment at the time of application for certification.

21 “(c) If a qualified community development entity does not receive the cash
22 investment and issue the qualified equity investment on or before the 60th
23 day following receipt of the certification notice, the certification shall lapse
24 and the entity may not issue the qualified equity investment without reap-
25 plying to the department for certification. A certification that lapses reverts
26 to the department and may be reissued only in accordance with the applica-
27 tion process outlined in this section.

28 “(5) The department shall certify qualified equity investments in the order
29 applications are received by the department. Applications received on the
30 same day shall be deemed to have been received simultaneously. For appli-

1 cations received on the same day and deemed complete, the department shall
2 certify, consistent with remaining tax credit capacity, qualified equity in-
3 vestments in proportionate percentages based upon the ratio of the amount
4 of qualified equity investment requested in an application to the total
5 amount of qualified equity investments requested in all applications received
6 on the same day. If a pending request cannot be fully certified because of the
7 limitation in ORS 285C.653, the department shall certify the portion that may
8 be certified unless the qualified community development entity elects to
9 withdraw its request rather than receive partial credit.

10 “(6) A qualified community development entity that is certified under this
11 section shall pay an annual evaluation fee of \$1,000 to the department.

12 “(7) The department shall establish by rule procedures to administer the
13 provisions of this section, including the allocation of tax credits issued for
14 qualified equity investments.

15 **“(8) The Oregon Business Development Department shall provide**
16 **information to the Department of Revenue about all certifications is-**
17 **sued under this section, if required by section 3 of this 2019 Act.**

18 **“SECTION 18.** ORS 285C.656 is amended to read:

19 **“285C.656. (1) The Director of the Oregon Business Development**
20 **Department may order the suspension or revocation of a certificate**
21 **or a portion of a certificate issued under ORS 315.533, as provided in**
22 **section 4 of this 2019 Act.**

23 **“[(1)] (2) The Department of Revenue may recapture any portion of a tax**
24 **credit allowed under ORS 315.533 if:**

25 **“(a) Any amount of federal tax credit that might be available with respect**
26 **to the qualified equity investment that generated the tax credit under ORS**
27 **315.533 is recaptured under section 45D of the Internal Revenue Code. The**
28 **department’s recapture shall be proportionate to the federal recapture with**
29 **respect to the qualified equity investment.**

30 **“(b) The qualified community development entity redeems or makes a**

1 principal repayment with respect to the qualified equity investment that
2 generated the tax credit prior to the final credit allowance date of the
3 qualified equity investment. The department's recapture shall be propor-
4 tionate to the amount of the redemption or repayment with respect to the
5 qualified equity investment.

6 “(c) The qualified community development entity fails to invest at least
7 85 percent of the purchase price of the qualified equity investment in quali-
8 fied low-income community investments within 12 months of the issuance of
9 the qualified equity investment and maintain the same level of investment
10 in qualified low-income community investments until the last credit allow-
11 ance date for the qualified equity investment. For purposes of calculating the
12 amount of qualified low-income community investments held by a qualified
13 community development entity, an investment shall be considered held by the
14 entity even if the investment has been sold or repaid provided that the entity
15 reinvests an amount equal to the capital returned to or recovered from the
16 original investment, exclusive of any profits realized, in another qualified
17 active low-income community business in this state within 12 months of the
18 receipt of the capital. A qualified community development entity may not be
19 required to reinvest capital returned from qualified low-income community
20 investments after the sixth anniversary of the issuance of the qualified eq-
21 uity investment, the proceeds of which were used to make the qualified
22 low-income community investment, and the qualified low-income community
23 investment shall be considered held by the issuer through the qualified eq-
24 uity investment's final credit allowance date.

25 “[2] (3) The department shall provide notice to the qualified community
26 development entity of any proposed recapture of tax credits pursuant to
27 **subsection (2) of** this section. The entity shall have 90 days to cure any
28 deficiency indicated in the department's original recapture notice and avoid
29 the recapture. If the entity fails or is unable to cure the deficiency within
30 the 90-day period, the department shall provide the entity and the taxpayer

1 from whom the credit is to be [*recaptured*] **collected** with a final order of
2 recapture. Any tax credit for which a final recapture order has been issued
3 shall be recaptured by the department from the taxpayer who claimed the tax
4 credit on a tax return.

5 **“SECTION 19.** ORS 315.138 is amended to read:

6 “315.138. (1) There shall be allowed a credit against tax due under ORS
7 chapter 316, or if the taxpayer is a corporation, under ORS chapter 317, for
8 taxpayers that install screening devices, by-pass devices or fishways, pursu-
9 ant to ORS 498.306 or 509.585, and the diversion is not part of a hydroelectric
10 project required to be licensed under the Federal Energy Regulatory Com-
11 mission. Except as allowed in subsection (4) of this section, the credit shall
12 be taken in the tax year in which the final certification is issued under
13 subsection (10) of this section.

14 “(2) The credit shall be equal to 50 percent of the taxpayer’s net certified
15 costs of installing a screening device, by-pass device or fishway. The total
16 credit allowed [*shall*] **may** not exceed \$5,000 per device installed.

17 “(3) The credit allowed in any one year [*shall*] **may** not exceed the tax
18 liability of the taxpayer.

19 “(4) Any tax credit otherwise allowable under this section which is not
20 used by the taxpayer in a particular tax year may be carried forward and
21 offset against the taxpayer’s tax liability for the next succeeding tax year.
22 Any credit remaining unused in such next succeeding tax year may be car-
23 ried forward and used in the second succeeding tax year. Any credit re-
24 maining unused in such second succeeding tax year may be carried forward
25 and used in the third succeeding tax year. Any credit remaining unused in
26 such third succeeding tax year may be carried forward and used in the fourth
27 succeeding tax year. Any credit remaining unused in such fourth succeeding
28 tax year may be carried forward and used in the fifth succeeding tax year,
29 but may not be used in any tax year thereafter.

30 “(5) The credit provided by this section shall be in addition to and not in

1 lieu of any depreciation or amortization deduction to which the taxpayer
2 otherwise may be entitled with respect to the installation of a screening de-
3 vice, by-pass device or fishway. The taxpayer's adjusted basis for determining
4 gain or loss [*shall*] **may** not be further decreased by any tax credits allowed
5 under this section.

6 “(6) In the case of a credit allowed under this section for purposes of ORS
7 chapter 316:

8 “(a) A nonresident shall be allowed the credit in the same manner and
9 subject to the same limitations as a resident. However, the credit shall be
10 prorated using the proportion provided in ORS 316.117.

11 “(b) If a change in the [*taxable*] **tax** year of a taxpayer occurs as described
12 in ORS 314.085, or if the Department of Revenue terminates the taxpayer's
13 [*taxable*] **tax** year under ORS 314.440, the credit allowed by this section shall
14 be prorated or computed in a manner consistent with ORS 314.085.

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

18 “(7) To qualify for the credit the taxpayer must be issued a certificate by
19 the State Department of Fish and Wildlife.

20 “(8) To obtain credit under subsection (1) of this section, any person
21 proposing to apply for certification of a screening device, by-pass device or
22 fishway, before installing the screening device, by-pass device or fishway,
23 shall file a request for preliminary certification with the State Department
24 of Fish and Wildlife. The request shall be in a form prescribed by the State
25 Department of Fish and Wildlife. The following conditions shall apply:

26 “(a) Within 30 days of the receipt of a request for preliminary certifica-
27 tion, the State Department of Fish and Wildlife may require, as a condition
28 precedent to issuance of a preliminary certificate of approval, the submission
29 of plans and specifications. After examination thereof, the State Department
30 of Fish and Wildlife may request corrections and revisions to the plans and

1 specifications. The State Department of Fish and Wildlife may also require
2 any pertinent information necessary to determine whether the proposed
3 screening device, by-pass device or fishway is in accordance with State De-
4 partment of Fish and Wildlife requirements.

5 “(b) If the State Department of Fish and Wildlife determines that the
6 proposed screening device, by-pass device or fishway is in accordance with
7 State Department of Fish and Wildlife requirements, it shall issue a prelim-
8 inary certificate approving the screening device, by-pass device or fishway.
9 If the State Department of Fish and Wildlife determines that the screening
10 device, by-pass device or fishway does not comply with State Department of
11 Fish and Wildlife requirements, the State Department of Fish and Wildlife
12 shall issue an order denying certification.

13 “(c) If within 90 days of the receipt of plans, specifications or any subse-
14 quently requested revisions or corrections to the plans and specifications or
15 any other information required pursuant to this section, the State Depart-
16 ment of Fish and Wildlife fails to issue a preliminary certificate of approval
17 and the State Department of Fish and Wildlife fails to issue an order denying
18 certification, the preliminary certificate shall be considered to have been is-
19 sued. The capital investment must comply with the plans, specifications and
20 any corrections or revisions thereto, if any, previously submitted.

21 “(d) Within 30 days from the date of mailing of the order, any person
22 against whom an order is directed pursuant to paragraph (b) of this sub-
23 section may demand a hearing. The demand shall be in writing, shall state
24 the grounds for hearing and shall be mailed to the State Fish and Wildlife
25 Director. The hearing shall be conducted in accordance with the applicable
26 provisions of ORS chapter 183.

27 “(9) A screening device, by-pass device or fishway that is installed by the
28 State Department of Fish and Wildlife pursuant to ORS 498.306 (8) in re-
29 sponse to noncompliance by the person responsible for the water diversion
30 is not eligible for the credit provided in subsection (1) of this section.

1 “(10) Upon completion and pursuant to application for final certification,
2 final certification shall be issued by the State Department of Fish and
3 Wildlife if the screening device, by-pass device or fishway was constructed
4 and installed in accordance with State Department of Fish and Wildlife re-
5 quirements. Final certification shall include a statement of the costs of in-
6 stallation as verified by the State Department of Fish and Wildlife. The
7 credit allowed under this section shall be claimed first for the tax year of
8 the taxpayer in which final certification is issued.

9 “(11) **The State Department of Fish and Wildlife shall provide in-**
10 **formation to the Department of Revenue about all certifications issued**
11 **under this section, if required by section 3 of this 2019 Act.**

12 “(12) **The State Fish and Wildlife Director may order the suspension**
13 **or revocation of a certification issued under this section, as provided**
14 **in section 4 of this 2019 Act, for the reasons set forth in section 4 of**
15 **this 2019 Act or if the holder of the certificate fails to meet State De-**
16 **partment of Fish and Wildlife requirements.**

17 “[11) *Pursuant to the procedures for a contested case under ORS chapter*
18 *183, the State Department of Fish and Wildlife may order the revocation of the*
19 *certificate issued under this section of any taxpayer, if it finds that:]*

20 “[a) *The certificate was obtained by fraud or misrepresentation; or]*

21 “[b) *The holder of the certificate fails to meet State Department of Fish*
22 *and Wildlife requirements.]*

23 “[12) *As soon as the order of revocation under this section has become final*
24 *the State Department of Fish and Wildlife shall notify the Department of*
25 *Revenue of such order.]*

26 “[13) *If the certificate of a screening device, by-pass device or fishway is*
27 *ordered revoked pursuant to subsection (11) of this section, all prior tax relief*
28 *provided to the holder of the certificate by virtue of the certificate shall be*
29 *forfeited and the Department of Revenue shall proceed to collect those taxes*
30 *not paid by the certificate holder as a result of the tax relief provided to the*

1 holder.]

2 “[*(14)* If the certificate of a screening device, by-pass device or fishway is
3 ordered revoked pursuant to subsection (11) of this section, the certificate
4 holder shall be denied any further relief provided under this section in con-
5 nection with the screening device, by-pass device or fishway, as the case may
6 be, from and after the date that the order of revocation becomes final.]

7 “[*(15)*] **(13)** In the event that the screening device, by-pass device or
8 fishway is destroyed by flood, natural disaster or act of God before all of the
9 credit has been used, the taxpayer may nevertheless claim the credit as if
10 no destruction had taken place.

11 “[*(16)*] **(14)** Screening devices, by-pass devices or fishways that are fi-
12 nanced by funds obtained from the Water Development Fund, pursuant to
13 ORS 541.700 to 541.855, [*shall not be*] **are not** eligible for the credit under
14 any circumstances.

15 “[*(17)*] **(15)** The State Department of Fish and Wildlife shall adopt rules
16 for carrying out the provisions of this section and report to the interim
17 committee created under ORS 171.605 to 171.640 to make studies of and in-
18 quiries into state revenue matters.

19 **“SECTION 20.** ORS 315.624 is amended to read:

20 “315.624. (1) A resident or nonresident individual physician licensed under
21 ORS chapter 677 who is engaged in the practice of medicine qualifies for an
22 annual credit against the taxes that are otherwise due under ORS chapter
23 316 if the physician provides medical care to residents of an Oregon
24 Veterans’ Home.

25 “(2) The amount of the credit allowed under this section shall be equal
26 to the lesser of:

27 “(a) \$1,000 for every eight residents to whom the physician provides care
28 at an Oregon Veterans’ Home; or

29 “(b) \$5,000.

30 “(3) The credit allowed under this section may not exceed the tax liability

1 of the taxpayer for the tax year, and a credit allowed under this section that
2 is unused may not be carried forward to a succeeding tax year.

3 “(4) A nonresident shall be allowed the credit described in this section in
4 the proportion provided in ORS 316.117. If a change in the status of a tax-
5 payer from resident to nonresident or from nonresident to resident occurs,
6 the credit allowed by this section shall be determined in a manner consistent
7 with ORS 316.117.

8 “(5) In order to qualify for the tax credit allowed under this section, the
9 physician claiming the credit [*must submit with the physician’s tax return*]
10 **must obtain** a letter from the Oregon Veterans’ Home at which the physi-
11 cian provided care to residents, confirming that the physician missed no
12 more than five percent of the physician’s scheduled visits with residents of
13 the home during the tax year, **and must retain the letter with the**
14 **physician’s tax records.**

15 “(6) In the case of a shareholder of a corporation or a member of a part-
16 nership, only the care provided by the individual shareholder or partner shall
17 be considered, and the full amount of the credit shall be allowed to each
18 shareholder or partner who qualifies in an individual capacity.

19 “(7) The Director of Veterans’ Affairs shall assist the Department of
20 Revenue in determining if a taxpayer claiming a credit under this section
21 qualifies for the credit **and shall provide information if required by sec-**
22 **tion 3 of this 2019 Act to the Department of Revenue about all physi-**
23 **cians to whom the Oregon Veterans’ Home has issued letters as**
24 **provided under subsection (5) of this section.**

25 “(8) **The director may order the suspension or revocation of a cer-**
26 **tificate issued under this section, as provided in section 4 of this 2019**
27 **Act.**

28 “**SECTION 21.** ORS 329A.706 is amended to read:

29 “329A.706. (1) For the purpose of implementing the program established
30 under ORS 329A.703, the Early Learning Council, in collaboration with the

1 Office of Child Care, shall:

2 “(a) Adopt rules.

3 “(b) Identify child care goals that are consistent with the purposes pro-
4 vided in ORS 329A.703 (2). The goals identified under this paragraph shall
5 take into account state resources and needs.

6 “(2)(a) The Office of Child Care shall issue tax credit certificates in the
7 chronological order in which the contributions are received by the office.
8 The office shall issue tax credit certificates to contributors until the total
9 value of all certificates issued by the office for the calendar year equals
10 \$500,000. Each issued certificate shall state the value of the contribution
11 being certified as eligible for the tax credit allowed under ORS 315.213.

12 “(b) The Office of Child Care may not issue a tax credit certificate to a
13 taxpayer to the extent the credit value to be certified, when added to the
14 total credit value previously certified by the office under paragraph (a) of
15 this subsection for the calendar year exceeds \$500,000.

16 “[*(c) The Office of Child Care shall send a copy of all tax credit certificates*
17 *issued under this section to the Department of Revenue.*]

18 “[*(d)*] (c) Qualified contributions shall be deposited in the Child Care
19 Fund.

20 “(3) A taxpayer that receives a notice of denial of a tax credit certificate
21 or that receives a tax credit certificate issued for an amount that is less than
22 the amount contributed may request a refund for the amount contributed
23 within 90 days of the denial or issuance of the certificate by the Office of
24 Child Care. The Office of Child Care must send notice of a denial or
25 changed amount and refund the amount for which a tax credit will not be
26 granted within 30 days after receiving the request. The refund shall be made
27 from the Child Care Fund.

28 “(4) The Early Learning Council may establish by rule any other pro-
29 visions required to implement the program established under ORS 329A.700
30 to 329A.712.

1 “(5) The Office of Child Care shall provide information to the De-
2 partment of Revenue about all tax credit certificates issued under
3 subsection (2) of this section, if required by section 3 of this 2019 Act.

4 “SECTION 22. ORS 348.621 is amended to read:

5 “348.621. (1) An application for tax credit certification shall be filed by
6 an employer that has obtained program certification under ORS 348.618 or
7 that has applied for program certification and is awaiting [*such*] **program**
8 certification by the Director of the Office of Student Access and Completion.

9 “(2) The application for tax credit certification shall be filed by the em-
10 ployer with the director. The application shall be filed at the time prescribed
11 by the director, but no later than October 1 of the calendar year in which
12 begins the tax year for which a credit under ORS 315.237 will be claimed.

13 “(3) The application shall be filed on a form prescribed by the director
14 and shall contain the information required by the director, including the
15 amount of scholarship moneys the employer has provided or intends to pro-
16 vide to employees or dependents during the calendar year for which tax
17 credit certification is being sought and the number of employees employed
18 by the employer for the calendar year.

19 “(4) The director shall consider applications in the chronological order in
20 which the applications are received and shall approve applications to the
21 extent the amount set forth in the application, when added to the total
22 amount already certified by the director for the calendar year under this
23 section, does not exceed \$1 million.

24 “(5) An employer may not receive tax credit certification:

25 “(a) For an amount that is greater than \$1 million;

26 “(b) If the employer employs fewer than four full-time equivalent em-
27 ployees for the calendar year; or

28 “(c) If the employer employs more than 250 employees for the calendar
29 year.

30 “(6) The director shall send written notice of the amount of the tax credit

1 certification, or written notice that no amount is being certified, to the em-
2 ployer [*and to the Department of Revenue*] within 60 days of the date an ap-
3 plication is filed under this section.

4 “(7) The employer shall keep the written certification in the employer’s
5 records for at least five years and shall furnish the certification to the De-
6 partment of Revenue if requested.

7 “(8) **The Office of Student Access and Completion shall provide in-**
8 **formation to the Department of Revenue about all tax credit certifi-**
9 **fications issued under this section, if required by section 3 of this 2019**
10 **Act.**

11 “(9) **The Executive Director of the Office of Student Access and**
12 **Completion may order the suspension or revocation of a tax credit**
13 **certification issued under ORS 348.618, as provided in section 4 of this**
14 **2019 Act.**

15 “**SECTION 23.** ORS 442.485 is amended to read:

16 “442.485. The responsibilities of the Office of Rural Health shall include
17 but not be limited to:

18 “(1) Coordinating statewide efforts for providing health care in rural
19 areas.

20 “(2) Accepting and processing applications from communities interested
21 in developing health care delivery systems. Application forms shall be de-
22 veloped by the agency.

23 “(3) Through the agency, applying for grants and accepting gifts and
24 grants from other governmental or private sources for the research and de-
25 velopment of rural health care programs and facilities.

26 “(4) Serving as a clearinghouse for information on health care delivery
27 systems in rural areas.

28 “(5) Helping local health care delivery systems develop ongoing funding
29 sources.

30 “(6) Developing enabling legislation to facilitate further development of

1 rural health care delivery systems.

2 **“(7) Providing information to the Department of Revenue about all**
3 **certifications for tax credits allowed under ORS 315.613, 315.616, 315.619**
4 **and 315.622, if required by section 3 of this 2019 Act.**

5 **“(8) The Office of Rural Health may order the suspension or revo-**
6 **cation of a certificate or a portion of a certificate issued under ORS**
7 **315.613 or 315.622, as provided in section 4 of this 2019 Act.**

8 **“SECTION 24.** ORS 458.690 is amended to read:

9 “458.690. (1) Notwithstanding ORS 315.271, a fiduciary organization se-
10 lected under ORS 458.695 may qualify as the recipient of account contribu-
11 tions that qualify the contributor for a tax credit under ORS 315.271 only if
12 the fiduciary organization structures the accounts to have the following
13 features:

14 “(a) The fiduciary organization matches amounts deposited by the account
15 holder according to a formula established by the fiduciary organization. The
16 fiduciary organization shall maintain on deposit in the account not less than
17 \$1 nor more than \$5 for each \$1 deposited by the account holder.

18 “(b) The matching deposits by the fiduciary organization to the individual
19 development account are placed in:

20 “(A) A savings account jointly held by the account holder and the
21 fiduciary organization and requiring the signatures of both for withdrawals;

22 “(B) A savings account that is controlled by the fiduciary organization
23 and is separate from the savings account of the account holder; or

24 “(C) In the case of an account established for the purpose described in
25 ORS 458.685 (1)(c), a savings network account for higher education under
26 ORS 178.300 to 178.355, in which the fiduciary organization is the account
27 owner as defined in ORS 178.300.

28 “(2) Account holders may not accrue more than \$3,000 of matching funds
29 under subsection (1) of this section from state-directed moneys in any
30 12-month period. A fiduciary organization may designate a lower amount as

1 a limit on annual matching funds. A fiduciary organization shall maintain
2 on deposit sufficient funds to cover the matching deposit agreements for all
3 individual development accounts managed by the organization.

4 “(3) The Housing and Community Services Department shall adopt rules
5 to establish a maximum total amount of state-directed moneys that may be
6 deposited as matching funds into an individual development account.

7 “(4) **The Housing and Community Services Department shall provide**
8 **information to the Department of Revenue about all individual devel-**
9 **opment account contributors that are qualified for a tax credit under**
10 **ORS 315.271, if required by section 3 of this 2019 Act.**

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“REPEAL OF DUPLICATIVE PROVISIONS

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14 **“SECTION 25. ORS 315.172, 315.179, 315.181 and 469B.407 are repealed.**

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“APPLICABILITY DATE

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18 **“SECTION 26. Section 2 of this 2019 Act applies to tax credits that**
19 **are transferred on or after January 1, 2020.**

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21

“CAPTIONS

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23 **“SECTION 27. The unit captions used in this 2019 Act are provided**
24 **only for the convenience of the reader and do not become part of the**
25 **statutory law of this state or express any legislative intent in the**
26 **enactment of this 2019 Act.**

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28

“EFFECTIVE DATE

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30 **“SECTION 28. This 2019 Act takes effect on the 91st day after the**

1 **date on which the 2019 regular session of the Eightieth Legislative**
2 **Assembly adjourns sine die.”**

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