

HB 2164-11  
(LC 2327)  
6/10/19 (CMT/ps)

Requested by JOINT COMMITTEE ON TAX EXPENDITURES

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2164**

1 In line 2 of the printed bill, after “taxation;” insert “creating new pro-  
2 visions; amending ORS 307.517, 307.518, 307.523, 307.529, 307.535, 314.752,  
3 315.675, 318.031 and 358.499 and section 19, chapter 954, Oregon Laws 2001,  
4 sections 7 and 10, chapter 826, Oregon Laws 2005, section 66, chapter 832,  
5 Oregon Laws 2005, section 6, chapter 880, Oregon Laws 2007, sections 2b, 7b,  
6 17 and 18, chapter 906, Oregon Laws 2007, and sections 5, 24, 28 and 36,  
7 chapter 913, Oregon Laws 2009; repealing ORS 825.475;”.

8 Delete lines 4 through 11 and insert:

9 **“SECTION 1. Sections 2 and 3 of this 2019 Act are added to and  
10 made a part of ORS chapter 315.**

11 **“SECTION 2. (1) A credit against taxes otherwise imposed under  
12 ORS chapter 316 shall be allowed for amounts contributed by the tax-  
13 payer during the tax year to a savings network account for higher  
14 education established under ORS 178.300 to 178.355 or an ABLE account  
15 established under ORS 178.380. A taxpayer who makes contributions  
16 to both types of account may claim the credit for the amounts listed  
17 in subsection (2) of this section for each type of account.**

18 **“(2) The amount of the credit allowed under this section shall be  
19 limited based on the taxpayer’s adjusted gross income and shall be the  
20 lesser of \$300, if reported on a joint return, or \$150, if reported on any  
21 other type of return, or the following:**

1       “(a) The amount contributed, if the taxpayer’s adjusted gross in-  
2 come does not exceed \$30,000;

3       “(b) 50 percent of the amount contributed, if the taxpayer’s adjusted  
4 gross income exceeds \$30,000 but does not exceed \$70,000;

5       “(c) 25 percent of the amount contributed, if the taxpayer’s adjusted  
6 gross income exceeds \$70,000 but does not exceed \$100,000;

7       “(d) 10 percent of the amount contributed, if the taxpayer’s adjusted  
8 gross income exceeds \$100,000 but does not exceed \$250,000; or

9       “(e) 5 percent of the amount contributed, if the taxpayer’s adjusted  
10 gross income exceeds \$250,000.

11       “(3)(a) The Department of Revenue shall annually adjust the maxi-  
12 mum credit amounts allowable under this section according to the  
13 cost-of-living adjustment for the calendar year. The department shall  
14 first make this adjustment for a joint return by multiplying the maxi-  
15 mum credit amount in subsection (2) of this section by the percentage  
16 (if any) by which the monthly averaged U.S. City Average Consumer  
17 Price Index for the 12 consecutive months ending August 31 of the  
18 prior calendar year exceeds the monthly averaged U.S. City Average  
19 Consumer Price Index for the 12 consecutive months ending August  
20 31, 2018.

21       “(b) As used in this subsection, ‘U.S. City Average Consumer Price  
22 Index’ means the U.S. City Average Consumer Price Index for All Ur-  
23 ban Consumers (All Items) as published by the Bureau of Labor Sta-  
24 tistics of the United States Department of Labor.

25       “(c) If any adjustment to the maximum credit amount for a joint  
26 return, as determined under paragraph (a) of this subsection, is not a  
27 multiple of \$20, the adjustment shall be rounded to the next lower  
28 multiple of \$20. The department shall then adjust the maximum credit  
29 amount for all other types of returns so that it is half the maximum  
30 credit amount for a joint return.

1       “(4) A credit under this section is allowed for a preceding tax year  
2 for amounts contributed to a savings network account for higher ed-  
3 ucation or to an ABLE account if the contribution is made before the  
4 taxpayer files a return or before the 15th day of the fourth month  
5 following the closing of the taxpayer’s tax year, whichever is earlier.

6       “(5) A credit is not allowed under this section for any amount that  
7 has been transferred into a savings network account for higher edu-  
8 cation from an individual development account, through a rollover,  
9 as provided in ORS 458.685 (4)(a)(A).

10       “(6) If the amount allowable as a credit under this section, when  
11 added to the sum of the amounts allowable as payment of tax under  
12 ORS 316.187 (withholding), ORS 316.583 (estimated tax), other tax pre-  
13 payment amounts and other refundable credit amounts, exceeds the  
14 taxes imposed by ORS chapters 314 and 316 for the tax year (reduced  
15 by any nonrefundable credits allowable for purposes of ORS chapter  
16 316 for the tax year), the amount of the excess shall be refunded to the  
17 taxpayer as provided in ORS 316.502.

18       “(7) The credit shall be claimed on a form prescribed by the De-  
19 partment of Revenue that contains the information required by the  
20 department.

21       “(8) Spouses in a marriage who file separate returns for a taxable  
22 year may each claim a share of the tax credit that would have been  
23 allowed on a joint return in proportion to the adjusted gross income  
24 of each.

25       “(9) In the case of a credit allowed under this section:

26       “(a) A nonresident shall be allowed the credit in the proportion  
27 provided in ORS 316.117.

28       “(b) If a change in the status of the taxpayer from resident to  
29 nonresident or from nonresident to resident occurs, the credit shall  
30 be determined in a manner consistent with ORS 316.117.

1       “(c) If a change in the taxable year of the taxpayer occurs as de-  
2 scribed in ORS 314.085, or if the department terminates the taxpayer’s  
3 taxable year under ORS 314.440, the credit shall be prorated or com-  
4 puted in a manner consistent with ORS 314.085.

5       “SECTION 3. (1) As provided in subsection (2) of this section, prior  
6 tax relief afforded a taxpayer by virtue of the credit allowed under  
7 section 2 of this 2019 Act shall be forfeited if any of the following are  
8 taken:

9       “(a) A nonqualified withdrawal from an account, as defined in ORS  
10 178.300;

11       “(b) A withdrawal from a savings network account for higher edu-  
12 cation established under ORS 178.300 to 178.355 to pay expenses in  
13 connection with enrollment or attendance at an elementary or sec-  
14 ondary school; or

15       “(c) A distribution from an ABLE account that is not a qualified  
16 disability expense of the designated beneficiary as provided in ORS  
17 178.375 and 178.380 and rules adopted by the Oregon 529 Savings Board.

18       “(2) A taxpayer shall report the amount of a disallowed withdrawal  
19 or distribution in the tax year in which it is taken, and shall remit the  
20 taxes due as a result of the forfeited credit. The Department of Rev-  
21 enue shall by rule determine the calculation of forfeited credit  
22 amounts.

23       “(3) If a taxpayer does not report a disallowed withdrawal or dis-  
24 tribution in the tax year that it is taken, and notwithstanding ORS  
25 314.410, the department shall proceed to collect those taxes, including  
26 penalties and interest, not paid by the taxpayer as a result of the tax  
27 credit allowed the taxpayer.

28       “SECTION 4. Except as provided in ORS 316.699 (4), a taxpayer:

29       “(1) May use a subtraction under ORS 316.699 only for contributions  
30 made in tax years beginning before January 1, 2020; and

1       “(2) May carry forward and use a subtraction under ORS 316.699 (4)  
2 only in tax years beginning before January 1, 2025.

3       “SECTION 5. Sections 2 and 3 of this 2019 Act apply to tax years  
4 beginning on or after January 1, 2020, and before January 1, 2026.

5       “SECTION 6. Sections 7 to 14 of this 2019 Act are added to and made  
6 a part of ORS chapter 315.

7       “SECTION 7. As used in sections 7 to 14 of this 2019 Act:

8       “(1) ‘Infrastructure’ includes tracks, switches, sidings, roadbeds,  
9 railroad bridges and industrial leads owned by a short line railroad.

10       “(2) ‘Short line railroad’ means a class II or class III railroad as  
11 defined in 49 C.F.R. 1201.

12       “(3) ‘Short line railroad rehabilitation project’ means a project that  
13 involves the maintenance, reconstruction or replacement of  
14 infrastructure.

15       “(4) ‘Short line railroad rehabilitation project costs’ means costs  
16 that are directly related to the work necessary to maintain, recon-  
17 struct or replace infrastructure. ‘Short line railroad rehabilitation  
18 project costs’ does not include costs that are funded by or used to  
19 qualify for any state or federal grants, or costs that are used to claim  
20 a federal tax credit.

21       “(5) ‘Tier I short line railroad’ means a short line railroad owned  
22 or leased by a person for whom the total length of short line railroad  
23 track owned or leased in Oregon is equal to or greater than 200 miles.  
24 The total amount of short line railroad track in Oregon calculated  
25 under this subsection includes any short line railroad track owned or  
26 leased by the person, or if the person is a corporation, by the person’s  
27 parent corporation or subsidiaries, regardless of whether the track is  
28 owned or leased by one or more railroads.

29       “(6) ‘Tier II short line railroad’ means a short line railroad that is  
30 not a tier I short line railroad or is a short line railroad owned or

1 leased by the state, a city, a county, a port or any other public or  
2 municipal corporation.

3 **“SECTION 8. (1) A credit against taxes imposed by ORS chapter 316**  
4 **(or, if the taxpayer is a corporation, under ORS chapter 317 or 318) is**  
5 **allowed to a taxpayer, based upon short line railroad rehabilitation**  
6 **project costs actually paid or incurred by the taxpayer during the tax**  
7 **year for which the credit is claimed.**

8 **“(2) The credit allowed under this section shall be the least of:**

9 **“(a) In the case of a tier I short line railroad, \$1,000 multiplied by**  
10 **the number of miles of short line railroad track the taxpayer owns or**  
11 **leases in this state on the day the short line railroad rehabilitation**  
12 **project is completed;**

13 **“(b) In the case of a tier II short line railroad, \$3,500 multiplied by**  
14 **the number of miles of short line railroad track the taxpayer owns or**  
15 **leases in this state on the day the short line railroad rehabilitation**  
16 **project is completed; or**

17 **“(c) Fifty percent of the short line railroad rehabilitation project**  
18 **costs paid or incurred by the taxpayer during the tax year in which**  
19 **the credit is claimed.**

20 **“(3) For the credit to be allowed under this section:**

21 **“(a) The infrastructure must be located in Oregon; and**

22 **“(b) The taxpayer must:**

23 **“(A) Own or lease the infrastructure;**

24 **“(B) Be a short line railroad; and**

25 **“(C) Receive a final written certification from the Department of**  
26 **Transportation before claiming the credit.**

27 **“(4) The amount of the credit claimed under this section for any**  
28 **one tax year may not exceed the tax liability of the taxpayer.**

29 **“(5) Any tax credit otherwise allowable under this section that is**  
30 **not used by the taxpayer in a particular tax year may be carried for-**

1 ward and offset against the taxpayer's tax liability for the next suc-  
2 ceeding tax year. Any credit remaining unused in that next succeeding  
3 tax year may be carried forward and used in the second succeeding tax  
4 year, and likewise, any credit not used in that second succeeding tax  
5 year may be carried forward and used in the third succeeding tax year,  
6 and likewise, any credit not used in that third succeeding tax year  
7 may be carried forward and used in the fourth succeeding tax year,  
8 and likewise, any credit not used in that fourth succeeding tax year  
9 may be carried forward and used in the fifth succeeding tax year but  
10 may not be carried forward for any tax year thereafter.

11 “(6) The credit allowed under this section is not in lieu of any de-  
12 preciation or amortization deduction for the short line railroad reha-  
13 bilitation project to which the taxpayer otherwise may be entitled for  
14 purposes of ORS chapter 316, 317 or 318 for the tax year.

15 “(7) The taxpayer's adjusted basis for determining gain or loss may  
16 not be decreased by any tax credit allowed under this section.

17 “(8)(a) The Department of Revenue may by rule require that the  
18 Department of Transportation provide information about a certifica-  
19 tion issued under section 9 of this 2019 Act, including the name and  
20 taxpayer identification number of the taxpayer or other person re-  
21 ceiving certification, the date the certification was issued in its final  
22 form, the approved amount of credit and the first tax year for which  
23 the credit may be claimed.

24 “(b) A taxpayer that is a pass-through entity that has received  
25 certification under section 9 of this 2019 Act shall provide to the De-  
26 partment of Revenue, within two months after the close of the tax  
27 year in which the certification was issued, the name, taxpayer iden-  
28 tification number and any other information required by the depart-  
29 ment of each owner receiving a distributive share of the credit, in a  
30 manner prescribed by the department.

1       “(9) The Department of Revenue shall prescribe by rule the manner  
2 and the timing of submission of the information described in sub-  
3 section (8) of this section to the department.

4       “(10) The credit shall be claimed on a form prescribed by the De-  
5 partment of Revenue that contains the information required by the  
6 department.

7       “(11) In the case of a credit allowed under this section:

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

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

14       “(c) If a change in the taxable year of a taxpayer occurs as de-  
15 scribed in ORS 314.085, or if the Department of Revenue terminates a  
16 taxpayer’s taxable year under ORS 314.440, the credit allowed under  
17 this section shall be prorated or computed in a manner consistent with  
18 ORS 314.085.

19       “SECTION 9. (1) Prior to construction of a short line railroad re-  
20 habilitation project, a taxpayer may apply to the Department of  
21 Transportation for preliminary certification of the project in the  
22 manner prescribed by rules adopted under this section, which must  
23 include:

24       “(a) Timelines and deadlines for submission of application materi-  
25 als;

26       “(b) A description of the information required by the department  
27 to determine that the taxpayer qualifies for the credit allowed under  
28 section 8 of this 2019 Act;

29       “(c) Criteria for determining the amount of the tax credit allowed  
30 under section 8 of this 2019 Act, including standards for what consti-



1 tutes completion of a short line railroad rehabilitation project;

2 “(d) The process by which an applicant will be notified of an in-  
3 complete application and the time allowed for the applicant to provide  
4 the missing information; and

5 “(e) The month and date by which the department must notify an  
6 applicant of the preliminary certification decision and the potential  
7 amount of the tax credit for which the applicant has received prelim-  
8 inary certification.

9 “(2) If the total amount of potential tax credits allowed under sec-  
10 tion 8 of this 2019 Act for all taxpayers that have applied for prelimi-  
11 nary certification exceeds the limit in section 8 of this 2019 Act, the  
12 department shall allocate the tax credits allowed under section 8 of  
13 this 2019 Act as follows:

14 “(a) By giving first priority to all tier II short line railroads that  
15 own or lease less than 75 miles of short line railroad track in this  
16 state; and

17 “(b) By giving second priority to all tier II short line railroads not  
18 described in paragraph (a) of this subsection.

19 “(3) If the department must allocate tax credits to a group of tax-  
20 payers in an amount that is less than the amount the taxpayers would  
21 otherwise receive under section 8 of this 2019 Act, the department shall  
22 divide the available tax credits among the group proportionally, based  
23 on the amount each taxpayer would have otherwise received under  
24 section 8 of this 2019 Act.

25 **“SECTION 10. (1) A taxpayer may apply to the Department of**  
26 **Transportation for final certification of a short line railroad rehabili-**  
27 **tation project if:**

28 “(a) The taxpayer received preliminary certification for the project  
29 under section 9 of this 2019 Act; and

30 “(b) The project is completed.

1       “(2) After approving the application, the department shall certify  
2 the project, including the amount of the tax credit for which the tax-  
3 payer has received final certification. The department may not certify  
4 an amount that is more than the amount approved in the preliminary  
5 certification for the project.

6       “(3) The department may establish by rule a process for accepting  
7 applications and issuing final certifications under this section.

8       “SECTION 11. (1) The Department of Transportation may charge  
9 and collect a fee from taxpayers for preliminary or final certification  
10 of short line rehabilitation projects under sections 9 and 10 of this 2019  
11 Act. The fee may not exceed the cost to the department of issuing  
12 certifications.

13       “(2) All fees collected under this section shall be deposited in the  
14 State Treasury to the credit of the Railroad Fund established under  
15 ORS 824.014. Moneys deposited under this section are continuously  
16 appropriated to the Department of Transportation for the purpose of  
17 administering and enforcing the provisions of sections 7 to 14 of this  
18 2019 Act.

19       “SECTION 12. (1) A person that has obtained a tax credit under  
20 section 8 of this 2019 Act may transfer the credit to a taxpayer under  
21 ORS chapter 316, 317 or 318. A transfer that occurs on or after January  
22 1, 2020, is conditioned upon compliance with this section and ORS  
23 315.052 and 315.053.

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

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

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

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

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

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

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

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

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

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

12       **“(4)(a) A transferor may separately transfer the entirety of that**  
13 **portion corresponding to the tax year to one or more transferees,**  
14 **subject to subsection (5) of this section.**

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

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

20       **“(a) The original due date, including extensions, of the transferor’s**  
21 **return;**

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

23       **“(c) The original due date, including extensions, of the transferee’s**  
24 **return; or**

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

26       **“(6) Notwithstanding subsection (5) of this section, if the transferor**  
27 **is a tax-exempt entity, the transfer must be completed on or before a**  
28 **date one year after the close of the tax year for which the credit was**  
29 **certified. As used in this subsection, ‘tax-exempt entity’ means a**  
30 **government agency or an organization that is recognized as exempt**

1 under section 501(c)(3) of the Internal Revenue Code.

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

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

6 “SECTION 13. The total amount of potential tax credits allowed  
7 under section 8 of this 2019 Act at the time of preliminary certification  
8 under section 9 of this 2019 Act may not exceed \$4 million for any  
9 biennium.

10 “SECTION 14. (1) Under the procedures for a contested case under  
11 ORS chapter 183, the Director of Transportation may order the sus-  
12 pension, revocation or forfeiture of a tax credit certification under  
13 section 9 or 10 of this 2019 Act, or of a portion thereof, if the director  
14 finds that:

15 “(a) The certification was obtained by fraud or misrepresentation;

16 “(b) The certification was obtained by mistake or miscalculation;  
17 or

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

20 “(2) As soon as an order of revocation under this section becomes  
21 final, the director shall notify the Department of Revenue and the  
22 person that received the tax credit certification of the order of revo-  
23 cation. Upon notification, the Department of Revenue immediately  
24 shall proceed to collect:

25 “(a) If no portion of a credit has been transferred, those taxes not  
26 paid by the holder of the certification as a result of the tax credits  
27 provided to the holder under the revoked approval, from the holder  
28 or a successor in interest to the business interests of the holder. All  
29 tax credits provided to the holder and attributable to the fraudulently  
30 or mistakenly obtained certification or portion of the certification

1 shall be forfeited.

2 “(b) If all of a credit has been transferred, an amount equal to the  
3 amount of the tax credits allowable to the transferee under the re-  
4 voked certification, from the transferor.

5 “(c) If a portion of a tax credit has been transferred, those taxes  
6 not paid by the transferor as a result of the tax credits provided to the  
7 transferor pursuant to the revoked certification, from the transferor  
8 or a successor in interest to the business interests of the transferor,  
9 and an amount equal to the amount of the tax credits allowable to the  
10 transferee pursuant to the revoked certification, from the transferor.

11 “(3)(a) The Department of Revenue shall have the benefit of all laws  
12 of the state pertaining to the collection of income and excise taxes and  
13 may proceed to collect the amounts described in subsection (2) of this  
14 section from the person that obtained certification or a successor in  
15 interest to the business interests of that person. An assessment of tax  
16 is not necessary and the collection of taxes described in this subsection  
17 is not precluded by any statute of limitations.

18 “(b) For purposes of this subsection, a lender, bankruptcy trustee  
19 or other person that acquires an interest through bankruptcy or  
20 through foreclosure of a security interest is not considered to be a  
21 successor in interest to the business interests of the person that ob-  
22 tained certification.

23 “(4) If the certification is ordered revoked pursuant to this section,  
24 the holder of the certification shall be denied any further relief in  
25 connection with the credit from and after the date that the order of  
26 revocation becomes final.

27 “(5) Notwithstanding subsections (1) to (4) of this section, a certi-  
28 fication or portion of a certification held by a transferee may not be  
29 considered revoked for purposes of the transferee, the tax credit al-  
30 lowable to the transferee may not be reduced and a transferee is not

1 **liable under this section.**

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

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

7 **“SECTION 15.** ORS 314.752, as amended by section 7, chapter 108, Oregon  
8 Laws 2018, is amended to read:

9 “314.752. (1) Except as provided in ORS 314.740 (5)(b), the tax credits al-  
10 lowed or allowable to a C corporation for purposes of ORS chapter 317 or  
11 318 shall not be allowed to an S corporation. The business tax credits al-  
12 lowed or allowable for purposes of ORS chapter 316 shall be allowed or are  
13 allowable to the shareholders of the S corporation.

14 “(2) In determining the tax imposed under ORS chapter 316, as provided  
15 under ORS 314.734, on income of the shareholder of an S corporation, there  
16 shall be taken into account the shareholder’s pro rata share of business tax  
17 credit (or item thereof) that would be allowed to the corporation (but for  
18 subsection (1) of this section) or recapture or recovery thereof. The credit (or  
19 item thereof), recapture or recovery shall be passed through to shareholders  
20 in pro rata shares as determined in the manner prescribed under section  
21 1377(a) of the Internal Revenue Code.

22 “(3) The character of any item included in a shareholder’s pro rata share  
23 under subsection (2) of this section shall be determined as if such item were  
24 realized directly from the source from which realized by the corporation, or  
25 incurred in the same manner as incurred by the corporation.

26 “(4) If the shareholder is a nonresident and there is a requirement appli-  
27 cable for the business tax credit that in the case of a nonresident the credit  
28 be allowed in the proportion provided in ORS 316.117, then that provision  
29 shall apply to the nonresident shareholder.

30 “(5) As used in this section, ‘business tax credit’ means the following

1 credits: ORS 315.104 (forestation and reforestation), ORS 315.138 (fish  
2 screening, by-pass devices, fishways), ORS 315.141 (biomass production for  
3 biofuel), ORS 315.156 (crop gleaning), ORS 315.164 and 315.169 (agriculture  
4 workforce housing), ORS 315.176 (bovine manure), ORS 315.204 (dependent  
5 care assistance), ORS 315.208 (dependent care facilities), ORS 315.213 (con-  
6 tributions for child care), ORS 315.237 (employee and dependent scholar-  
7 ships), ORS 315.271 (individual development accounts), ORS 315.304  
8 (pollution control facility), ORS 315.326 (renewable energy development con-  
9 tributions), ORS 315.331 (energy conservation projects), ORS 315.336 (trans-  
10 portation projects), ORS 315.341 (renewable energy resource equipment  
11 manufacturing facilities), ORS 315.354 and 469B.151 (energy conservation fa-  
12 cilities), ORS 315.506 (tribal taxes on reservation enterprise zones and res-  
13 ervation partnership zones), ORS 315.507 (electronic commerce), ORS 315.514  
14 (film production development contributions), ORS 315.521 (university venture  
15 development funds), ORS 315.523 (employee training programs), ORS 315.533  
16 (low income community jobs initiative), ORS 315.675 (Trust for Cultural De-  
17 velopment Account contributions), ORS 317.097 (loans for affordable hous-  
18 ing), ORS 317.124 (long term enterprise zone facilities), ORS 317.147 (loans  
19 for agriculture workforce housing), ORS 317.152 (qualified research expenses)  
20 and ORS 317.154 (alternative qualified research expenses) and section 9,  
21 chapter 774, Oregon Laws 2013 (alternative fuel vehicle contributions), and  
22 section 2, chapter 108, Oregon Laws 2018 (Opportunity Grant Fund contri-  
23 butions), **and section 8 of this 2019 Act (short line railroads).**

24 **“SECTION 16.** ORS 318.031, as amended by section 8, chapter 108, Oregon  
25 Laws 2018, is amended to read:

26 “318.031. It being the intention of the Legislative Assembly that this  
27 chapter and ORS chapter 317 shall be administered as uniformly as possible  
28 (allowance being made for the difference in imposition of the taxes), ORS  
29 305.140 and 305.150, ORS chapter 314 and the following sections are incor-  
30 porated into and made a part of this chapter: ORS 315.104, 315.141, 315.156,

1 315.176, 315.204, 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.506,  
2 315.507, 315.523 and 315.533 and section 2, chapter 108, Oregon Laws 2018,  
3 **and section 8 of this 2019 Act** (all only to the extent applicable to a cor-  
4 poration) and ORS chapter 317.

5 **“SECTION 17. (1) Sections 7 to 14 of this 2019 Act apply to tax years**  
6 **beginning on or after January 1, 2020, and before January 1, 2026.**

7 **“(2) Except as provided in section 8 (5) of this 2019 Act, a credit may**  
8 **not be claimed under section 8 of this 2019 Act for tax years beginning**  
9 **on or after January 1, 2026.**

10 **“SECTION 18.** Section 19, chapter 954, Oregon Laws 2001, as amended  
11 by section 35, chapter 913, Oregon Laws 2009, and section 8, chapter 750,  
12 Oregon Laws 2013, is amended to read:

13 **“Sec. 19.** ORS 315.675 applies to tax years beginning on or after January  
14 1, 2002, and before January 1, [2020] **2026.**

15 **“SECTION 19.** ORS 315.675 is amended to read:

16 “315.675. (1) As used in this section, ‘cultural organization’ means an en-  
17 tity that is:

18 “(a) Exempt from federal income tax under section 501(c)(3) of the Inter-  
19 nal Revenue Code; and

20 “(b) Organized primarily for the purpose of producing, promoting or pre-  
21 senting the arts, heritage, programs and humanities to the public or organ-  
22 ized primarily for identifying, documenting, interpreting and preserving  
23 cultural resources.

24 “(2) A taxpayer shall be allowed a credit against the taxes otherwise due  
25 under ORS chapter 316 for amounts contributed during the tax year to the  
26 Trust for Cultural Development Account established under ORS 359.405.

27 “(3) A taxpayer that is a corporation shall be allowed a credit against the  
28 taxes otherwise due under ORS chapter 317 or 318 for amounts contributed  
29 during the tax year to the Trust for Cultural Development Account estab-  
30 lished under ORS 359.405.



1 “(4) The credit is allowable under this section only to the extent the  
2 taxpayer has contributed an equal amount to an Oregon cultural organiza-  
3 tion during the tax year.

4 “(5) The amount of the credit shall equal 100 percent of the amount con-  
5 tributed to the Trust for Cultural Development Account, but may not exceed  
6 the lesser of the tax liability of the:

7 “(a) Taxpayer under ORS chapter 316 for the tax year [*or \$500*], **or \$1,000**  
8 **for a taxpayer filing a joint return or \$500 for a taxpayer filing any**  
9 **other type of return.**

10 “(b) Taxpayer that is a corporation under ORS chapter 317 or 318 for the  
11 tax year or \$2,500.

12 “(6) The credit allowed under this section may not be carried over to  
13 another tax year.

14 “(7) The credit allowed under this section is in addition to any charitable  
15 contribution deduction allowable to the taxpayer.

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

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

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

23 “(c) Spouses in a marriage who file separate returns for a taxable year  
24 may each claim a share of the tax credit that would have been allowed on  
25 a joint return in proportion to the contribution of each.

26 “(d) If a change in the taxable year of a taxpayer occurs as described in  
27 ORS 314.085, or if the Department of Revenue terminates the taxpayer’s  
28 taxable year under ORS 314.440, the credit allowed under this section shall  
29 be prorated or computed in a manner consistent with ORS 314.085.

30 **“SECTION 20.** Section 7, chapter 826, Oregon Laws 2005, as amended by

1 section 21, chapter 906, Oregon Laws 2007, section 36, chapter 750, Oregon  
2 Laws 2013, and section 14, chapter 217, Oregon Laws 2015, is amended to  
3 read:

4 “**Sec. 7.** (1) Section 6, chapter 826, Oregon Laws 2005, applies to tax years  
5 beginning on or after January 1, 2006, and before January 1, [2020] **2026.**

6 “(2) The amendments to section 6, chapter 826, Oregon Laws 2005, by  
7 section 9, **chapter 217, Oregon Laws 2015**, [of this 2015 Act] apply to tax  
8 years beginning on or after January 1, 2015, and before January 1, [2020]  
9 **2026.**

10 “**SECTION 21.** Section 7b, chapter 906, Oregon Laws 2007, as amended  
11 by section 3, chapter 83, Oregon Laws 2011, and section 35, chapter 750,  
12 Oregon Laws 2013, is amended to read:

13 “**Sec. 7b.** The amendments to ORS 90.650 by section 7a, chapter 906,  
14 Oregon Laws 2007, become operative January 1, [2020] **2026.**

15 “**SECTION 22.** Section 10, chapter 826, Oregon Laws 2005, as amended  
16 by section 22, chapter 906, Oregon Laws 2007, section 37, chapter 750, Oregon  
17 Laws 2013, and section 15, chapter 217, Oregon Laws 2015, is amended to  
18 read:

19 “**Sec. 10.** (1) Section 9, chapter 826, Oregon Laws 2005, applies to tax  
20 years beginning on or after January 1, 2006, and before January 1, [2020]  
21 **2026.**

22 “(2) The amendments to section 9, chapter 826, Oregon Laws 2005, by  
23 section 10, **chapter 217, Oregon Laws 2015**, [of this 2015 Act] apply to tax  
24 years beginning on or after January 1, 2015, and before January 1, [2020]  
25 **2026.**

26 “**SECTION 23.** Section 18, chapter 906, Oregon Laws 2007, as amended  
27 by section 33, chapter 913, Oregon Laws 2009, and section 33, chapter 750,  
28 Oregon Laws 2013, is amended to read:

29 “**Sec. 18.** Section 17, chapter 906, Oregon Laws 2007, applies to individ-  
30 uals whose household ends tenancy at a manufactured dwelling park during

1 a tax year that begins on or after January 1, 2007, and before January 1,  
2 [2020] **2026**.

3 **“SECTION 24.** Section 2b, chapter 906, Oregon Laws 2007, as amended  
4 by section 1, chapter 83, Oregon Laws 2011, and section 34, chapter 750,  
5 Oregon Laws 2013, is amended to read:

6 **“Sec. 2b.** The amendments to ORS 90.645 by section 2a, chapter 906,  
7 Oregon Laws 2007, become operative January 1, [2020] **2026**.

8 **“SECTION 25.** Section 17, chapter 906, Oregon Laws 2007, as amended  
9 by section 17, chapter 348, Oregon Laws 2015, is amended to read:

10 **“Sec. 17.** (1) As used in this section:

11 “(a) ‘Household’ means the taxpayer, the spouse of the taxpayer and all  
12 other persons residing in the manufactured dwelling during any part of the  
13 calendar year for which a credit is claimed.

14 “(b) ‘Manufactured dwelling’ has the meaning given that term in ORS  
15 446.003.

16 “(c) ‘Manufactured dwelling park’ means a place within this state where  
17 four or more manufactured dwellings are located, the primary purpose of  
18 which is to rent space or keep space for rent to any person for a charge or  
19 fee.

20 “(d) ‘Rental agreement’ means a contract under which an individual rents  
21 space in a manufactured dwelling park for siting a manufactured dwelling.

22 “(2) A credit of \$5,000 against the taxes otherwise due under this chapter  
23 is allowed to an individual who:

24 “(a) Rents space in a manufactured dwelling park for a manufactured  
25 dwelling that is owned and occupied by the individual as the individual’s  
26 principal residence on the date that the landlord delivers notice that the  
27 park, or a portion of the park, is being closed and the rental agreement for  
28 the space is being terminated **by the landlord or** because of the exercise of  
29 eminent domain, by order of a federal, state or local agency [*or by the land-*  
30 *lord*]; and

1 “(b) Ends tenancy at the manufactured dwelling park site in response to  
2 the delivered notice described in paragraph (a) of this subsection.

3 “(3) For purposes of subsection (2) of this section:

4 “(a) Tenancy by the individual at the manufactured dwelling park site  
5 ends on the last day that a member of the individual’s household occupies  
6 the manufactured dwelling at the manufactured dwelling park site; and

7 “(b) Tenancy by the individual at the manufactured dwelling park site  
8 does not end if the manufactured dwelling park is converted to a subdivision  
9 under ORS 92.830 to 92.845 and the individual buys a space or lot in the  
10 subdivision or sells the manufactured dwelling to a person who buys a space  
11 or lot in the subdivision.

12 “(4) Notwithstanding subsection (2) of this section, if the manufactured  
13 dwelling park, or a portion of the park, is being closed and the rental  
14 agreement of the individual is being terminated because of the exercise of  
15 eminent domain, the credit amount allowed to the individual is the amount  
16 described in subsection (2) of this section, reduced by any amount that was  
17 paid to the individual as compensation for the exercise of eminent domain.

18 “(5) An individual may not claim more than one credit under this section  
19 for tenancies ended during the tax year.

20 “(6) If, for the year in which the individual ends the tenancy at the  
21 manufactured dwelling park, the amount of the credit allowed by this sec-  
22 tion, when added to the sum of the amounts allowable as payment of tax  
23 under ORS 316.187 and 316.583 plus other tax prepayment amounts and other  
24 refundable credit amounts, exceeds the taxes imposed by this chapter or ORS  
25 chapter 314 for the tax year, reduced by any nonrefundable credits allowable  
26 for purposes of this chapter for the tax year, the amount of the excess shall  
27 be refunded to the individual as provided in ORS 316.502.

28 “(7) If more than one individual in a household qualifies under this sec-  
29 tion to claim the tax credit, the qualifying individuals may each claim a  
30 share of the available credit that is in proportion to their respective gross

1 incomes for the tax year.

2 **“SECTION 26. The amendments to section 17, chapter 906, Oregon**  
3 **Laws 2007, by section 25 of this 2019 Act apply to tax years beginning**  
4 **on or after January 1, 2017.**

5 **“SECTION 27.** Section 36, chapter 913, Oregon Laws 2009, as amended  
6 by section 9, chapter 750, Oregon Laws 2013, is amended to read:

7 **“Sec. 36.** A credit may not be claimed under ORS 316.157 for tax years  
8 beginning on or after January 1, [2020] **2026.**

9 **“SECTION 28.** Section 66, chapter 832, Oregon Laws 2005, as amended  
10 by section 26, chapter 913, Oregon Laws 2009, and section 16, chapter 750,  
11 Oregon Laws 2013, is amended to read:

12 **“Sec. 66.** ORS 315.622 applies to tax credit certifications issued by the  
13 Office of Rural Health on or after January 1, 2006, and before January 1,  
14 [2020] **2026.**

15 **“SECTION 29.** Section 24, chapter 913, Oregon Laws 2009, as amended  
16 by section 17, chapter 750, Oregon Laws 2013, is amended to read:

17 **“Sec. 24.** Except as provided in ORS 315.237 (6), a credit may not be  
18 claimed under ORS 315.237 for tax years beginning on or after January 1,  
19 [2020] **2026.**

20 **“SECTION 30.** Section 28, chapter 913, Oregon Laws 2009, as amended  
21 by section 18, chapter 750, Oregon Laws 2013, is amended to read:

22 **“Sec. 28.** Except as provided in ORS 315.164 (8), a credit may not be  
23 claimed under ORS 315.164 for **agriculture workforce housing projects**  
24 **completed in** tax years beginning on or after January 1, [2020] **2026.**

25 **“SECTION 31.** Section 6, chapter 880, Oregon Laws 2007, as amended by  
26 section 1, chapter 750, Oregon Laws 2013, is amended to read:

27 **“Sec. 6.** ORS 315.266 applies to tax years beginning before January 1,  
28 [2020] **2026.**

29 **“SECTION 32.** ORS 307.517, as amended by section 10, chapter 111,  
30 Oregon Laws 2018, is amended to read:

1 “307.517. (1) Property or a portion of the property is exempt from taxation  
2 as provided under ORS 307.515 to 307.523 if:

3 “(a) The property is:

4 “(A) Offered for rent; or

5 “(B) Held for the purpose of developing low income rental housing, for a  
6 period not exceeding a reasonable maximum period, if any, adopted by the  
7 governing body;

8 “(b) The property, if occupied, is occupied solely by low income persons;

9 “(c) The required rent payment reflects the full value of the property tax  
10 exemption;

11 “(d) The exemption has been approved as provided in ORS 307.523, pur-  
12 suant to an application filed before July 1, [2020] **2030**;

13 “(e) The housing units on the property were constructed after the local  
14 governing body adopted the provisions of ORS 307.515 to 307.523; and

15 “(f) The information disclosed on the application filed pursuant to ORS  
16 307.521 meets any other criteria adopted by the governing body.

17 “(2) A governing body that adopts the provisions of ORS 307.515 to 307.523  
18 may adopt additional criteria for exemption that do not conflict with the  
19 criteria described in subsection (1)(a) to (e) of this section.

20 “(3) For the purposes of subsection (1) of this section, a person that has  
21 only a leasehold interest in property is deemed to be a purchaser of that  
22 property if:

23 “(a) The person is obligated under the terms of the lease to pay the ad  
24 valorem taxes on the real and personal property used in this activity on that  
25 property; or

26 “(b) The rent payable has been established to reflect the savings resulting  
27 from the exemption from taxation.

28 “**SECTION 33.** ORS 307.518, as amended by section 11, chapter 111,  
29 Oregon Laws 2018, is amended to read:

30 “307.518. (1) Property or a portion of property is exempt from taxation as

1 provided under ORS 307.515 to 307.523 if:

2 “(a) The property, if unoccupied, is:

3 “(A) Offered for rental solely as a residence for low income persons; or

4 “(B) Held for the purpose of developing low income rental housing, for a  
5 period not exceeding a reasonable maximum period, if any, adopted by the  
6 governing body;

7 “(b) The property, if occupied, is occupied solely as a residence for low  
8 income persons;

9 “(c) An exemption for the property has been approved as provided under  
10 ORS 307.523, pursuant to an application filed before July 1, [2020] 2030;

11 “(d) The property is owned or being purchased by a nonprofit corporation  
12 organized in a manner that meets the criteria for a public benefit corporation  
13 or a religious corporation, both terms as defined in ORS 65.001;

14 “(e) The property is owned or being purchased by a nonprofit corporation  
15 that expends no more than 10 percent of the nonprofit corporation’s annual  
16 income from residential rentals for purposes other than the acquisition,  
17 maintenance or repair of residential rental property for low income persons  
18 or for the provision of on-site child care services for the residents of the  
19 rental property; and

20 “(f) The information disclosed on the application filed pursuant to ORS  
21 307.521 meets any other criteria adopted by the governing body.

22 “(2) A governing body that adopts the provisions of ORS 307.515 to 307.523  
23 may adopt additional criteria for exemption that do not conflict with the  
24 criteria described in subsection (1)(a) to (e) of this section.

25 “(3) For the purposes of this section, a nonprofit corporation that has  
26 only a leasehold interest in property is considered to be a purchaser of that  
27 property if:

28 “(a) The nonprofit corporation is obligated under the terms of the lease  
29 to pay the ad valorem taxes on the real and personal property used in the  
30 rental activity on that property; or

1 “(b) The rent payable has been established to reflect the savings resulting  
2 from the exemption from taxation.

3 “(4) A partnership shall be considered a nonprofit corporation for pur-  
4 poses of this section if:

5 “(a) A nonprofit corporation is a general partner of the partnership; and

6 “(b) The nonprofit corporation is responsible for the day-to-day operation  
7 of the property that is the subject of the exemption under ORS 307.515 to  
8 307.523.

9 **“SECTION 34.** ORS 307.523, as amended by section 12, chapter 111,  
10 Oregon Laws 2018, is amended to read:

11 “307.523. (1) Application shall be made on or before December 1 of the  
12 calendar year immediately preceding the first assessment year for which ex-  
13 emption is requested, and shall be accompanied by the application fee re-  
14 quired under ORS 307.527. However, if the property is acquired after  
15 November 1, the application shall be made within 30 days after the date of  
16 acquisition.

17 “(2) Within 60 days of the filing of an application under ORS 307.521, the  
18 governing body shall take final action upon the application as provided un-  
19 der ORS 307.527, and certify the results of the action to the county assessor,  
20 as set forth in ORS 307.512.

21 “(3) Upon receipt of certification under subsection (2) of this section, the  
22 county assessor shall exempt the property from taxation to the extent certi-  
23 fied by the governing body.

24 “(4) Notwithstanding the dates specified in ORS 307.517 and 307.518,  
25 property granted exemption pursuant to an application filed under ORS  
26 307.517 or 307.518 before July 1, [2020] **2030**, shall continue to receive the  
27 exemption on the same terms, including duration, on which the exemption  
28 was granted.

29 **“SECTION 35.** ORS 307.529, as amended by section 13, chapter 111,  
30 Oregon Laws 2018, is amended to read:



1 “307.529. (1) Except as provided in ORS 307.531, if, after an application  
2 for exemption under ORS 307.517 has been approved under ORS 307.527, the  
3 governing body finds that construction or development of the exempt prop-  
4 erty differs from the construction or development described in the applica-  
5 tion for exemption, or is not completed on or before July 1, [2020] **2030**, or  
6 that any provision of ORS 307.515 to 307.523 is not being complied with, or  
7 any provision required by the governing body pursuant to ORS 307.515 to  
8 307.523 is not being complied with, the governing body shall give notice of  
9 the proposed termination of the exemption to the owner, by mailing the no-  
10 tice to the last-known address of the owner, and to every known lender, by  
11 mailing the notice to the last-known address of every known lender. The  
12 notice shall state the reasons for the proposed termination and shall require  
13 the owner to appear at a specified time, not less than 20 days after mailing  
14 the notice, to show cause, if any, why the exemption should not be termi-  
15 nated.

16 “(2) If the owner fails to appear and show cause why the exemption  
17 should not be terminated, the governing body shall notify every known  
18 lender, and shall allow any lender not less than 30 days after the date the  
19 notice of the failure to appear and show cause is mailed to cure any non-  
20 compliance or to provide assurance adequate to the governing body that all  
21 noncompliance shall be remedied.

22 “(3) If the owner fails to appear and show cause why the exemption  
23 should not be terminated, and the lender fails to cure or give adequate as-  
24 surance of the cure of any noncompliance, the governing body shall adopt  
25 an ordinance or resolution stating its findings terminating the exemption.  
26 A copy of the ordinance or resolution shall be filed with the county assessor,  
27 and a copy shall be sent to the owner at the owner’s last-known address and  
28 to the lender at the last-known address of the lender within 10 days after its  
29 adoption.

30 **SECTION 36.** ORS 307.535, as amended by section 14, chapter 111,

1 Oregon Laws 2018, is amended to read:

2 “307.535. Notwithstanding any provision of ORS 307.515 to 307.523:

3 “(1) If the governing body finds that construction of the housing unit  
4 otherwise entitled to exemption under ORS 307.517 was not completed by  
5 July 1, [2020] **2030**, due to circumstances beyond the control of the owner,  
6 and that the owner had been acting and could reasonably be expected to act  
7 in good faith and with due diligence, the governing body may extend the  
8 deadline for completion of construction for a period not to exceed 12 con-  
9 secutive months.

10 “(2) If property granted exemption under ORS 307.515 to 307.523 is de-  
11 stroyed by fire or act of God, or is otherwise no longer capable of owner-  
12 occupancy due to circumstances beyond the control of the owner, the  
13 exemption shall cease but no additional taxes shall be imposed upon the  
14 property under ORS 307.531 or 307.533.

15 “**SECTION 37.** Section 5, chapter 913, Oregon Laws 2009, as amended by  
16 section 1, chapter 115, Oregon Laws 2014, is amended to read:

17 “**Sec. 5.** Except as provided in ORS 315.156 (4), a credit may not be  
18 claimed under ORS 315.156 for tax years beginning on or after January 1,  
19 2012, and before January 1, 2014, or on or after January 1, [2020] **2026**.

20 “**SECTION 38.** ORS 358.499 is amended to read:

21 “358.499. (1) Property first classified and specially assessed as historic  
22 property for a tax year beginning on or before July 1, 1994, shall continue  
23 to be so classified, specially assessed and removed from special assessment  
24 as provided under ORS 358.487 to 358.543 as those sections were in existence  
25 and in effect on December 31, 1992.

26 “(2) Property may be classified and specially assessed under ORS 358.487  
27 to 358.543 pursuant to application filed under ORS 358.487 on or after Sep-  
28 tember 9, 1995, and first applicable for the tax year 1996-1997 or any tax year  
29 thereafter.

30 “(3) Property may not be classified and specially assessed pursuant to

1 application filed under ORS 358.487 or 358.540 if the application is filed on  
2 or after July 1, [2020] **2022**.

3 **“SECTION 39. ORS 825.475 is repealed.**

4 **“SECTION 40. The repeal of ORS 825.475 by section 39 of this 2019  
5 Act becomes operative on January 1, 2026.**

6 **“SECTION 41. This 2019 Act takes effect on the 91st day after the  
7 date on which the 2019 regular session of the Eightieth Legislative  
8 Assembly adjourns sine die.”.**

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