

D R A F T

SUMMARY

Creates income or corporate excise tax credit allowed for purchase of commercial-grade battery-powered leaf blowers and related equipment.

Applies to tax years beginning on or after January 1, 2024, and before January 1, 2030.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a tax credit for the purchase of battery-powered leaf blowers;
3 creating new provisions; amending ORS 314.772 and 318.031; and pre-
4 scribing an effective date.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1. Section 2 of this 2023 Act is added to and made a part**
7 **of ORS chapter 315.**

8 **SECTION 2. (1) A credit against taxes that are otherwise due under**
9 **ORS chapter 316 or, if the taxpayer is a corporation, under ORS**
10 **chapter 317 or 318 is allowed to a taxpayer for the purchase during the**
11 **tax year of one or more new commercial-grade battery-powered leaf**
12 **blowers and any new batteries and battery chargers necessary for the**
13 **use of commercial-grade battery-powered leaf blowers.**

14 **(2) In order to claim the credit allowed under this section, a tax-**
15 **payer must be:**

16 **(a) Licensed under ORS 671.510 to 671.760 as a landscape con-**
17 **struction professional or as a landscape contracting business; or**

18 **(b) Licensed under ORS chapter 701 as a commercial contractor.**

19 **(3) The credit under this section shall equal 50 percent of the total**

1 amount paid by the taxpayer during the tax year for the purchase of
2 new battery-powered leaf blowers, batteries or chargers.

3 (4) Prior to claiming the credit allowed under this section, a tax-
4 payer is required to receive written certification of eligibility from the
5 State Department of Energy.

6 (5) The credit allowed under this section may not exceed the tax
7 liability of the taxpayer for the tax year.

8 (6) Any tax credit otherwise allowable under this section that is not
9 used by the taxpayer in a particular tax year may be carried forward
10 and offset against the taxpayer's tax liability for the next succeeding
11 tax year. Any credit remaining unused in the next succeeding tax year
12 may be carried forward and used in the second succeeding tax year,
13 and likewise any credit not used in that second succeeding tax year
14 may be carried forward and used in the third succeeding tax year but
15 may not be carried forward for any tax year thereafter.

16 (7) A nonresident shall be allowed the credit under this section. The
17 credit shall be computed in the same manner and be subject to the
18 same limitations as the credit granted to a resident. However, the
19 credit shall be prorated using the proportion provided in ORS 316.117.

20 (8) If a change in the tax year of the taxpayer occurs as described
21 in ORS 314.085, or if the Department of Revenue terminates the
22 taxpayer's tax year under ORS 314.440, the credit allowed under this
23 section shall be prorated or computed in a manner consistent with
24 ORS 314.085.

25 (9) If a change in the status of a taxpayer from resident to non-
26 resident or from nonresident to resident occurs, the credit allowed
27 under this section shall be determined in a manner consistent with
28 ORS 316.117.

29 (10) The State Department of Energy shall adopt rules for the pur-
30 poses of this section, including policies and procedures for certifying
31 taxpayers as eligible for the credit allowed under this section as re-

1 **quired in subsection (4) of this section.**

2 **(11) The State Department of Energy shall provide information to**
3 **the Department of Revenue about all taxpayers that are eligible for a**
4 **tax credit under this section, if required as provided under ORS**
5 **315.058.**

6 **SECTION 3.** ORS 314.772, as amended by section 11, chapter 34, Oregon
7 Laws 2022, and section 15, chapter 115, Oregon Laws 2022, is amended to
8 read:

9 314.772. (1) Except as provided in ORS 314.766 (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 314.763, 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
31 credits: ORS 315.104 (forestation and reforestation), ORS 315.138 (fish

1 screening, by-pass devices, fishways), ORS 315.141 (biomass production for
2 biofuel), ORS 315.156 (crop gleaning), ORS 315.164 and 315.169 (agriculture
3 workforce housing), ORS 315.176 (bovine manure), ORS 315.204 (dependent
4 care assistance), ORS 315.208 (dependent care facilities), ORS 315.213 (con-
5 tributions for child care), ORS 315.237 (employee and dependent scholar-
6 ships), ORS 315.271 (individual development accounts), ORS 315.304
7 (pollution control facility), ORS 315.326 (renewable energy development con-
8 tributions), ORS 315.331 (energy conservation projects), ORS 315.336 (trans-
9 portation projects), ORS 315.341 (renewable energy resource equipment
10 manufacturing facilities), ORS 315.354 and 469B.151 (energy conservation fa-
11 cilities), ORS 315.506 (tribal taxes on reservation enterprise zones and res-
12 ervation partnership zones), ORS 315.507 (electronic commerce), ORS 315.514
13 (film production development contributions), ORS 315.523 (employee training
14 programs), ORS 315.533 (low income community jobs initiative), ORS 315.593
15 (short line railroads), ORS 315.640 (university venture development funds),
16 ORS 315.643 (Opportunity Grant Fund contributions), ORS 315.675 (Trust for
17 Cultural Development Account contributions), ORS 317.097 (loans for af-
18 fordable housing), ORS 317.124 (long term enterprise zone facilities), ORS
19 317.147 (loans for agriculture workforce housing), ORS 317.152 (qualified re-
20 search expenses) and ORS 317.154 (alternative qualified research expenses)
21 and section 9, chapter 774, Oregon Laws 2013 (alternative fuel vehicle con-
22 tributions), section 2, chapter 34, Oregon Laws 2022 (small forest option), and
23 section 8, chapter 115, Oregon Laws 2022 (agricultural overtime pay), **and**
24 **section 2 of this 2023 Act (battery-powered leaf blowers).**

25 **SECTION 4.** ORS 318.031, as amended by section 12, chapter 34, Oregon
26 Laws 2022, and section 16, chapter 115, Oregon Laws 2022, is amended to
27 read:

28 318.031. It being the intention of the Legislative Assembly that this
29 chapter and ORS chapter 317 shall be administered as uniformly as possible
30 (allowance being made for the difference in imposition of the taxes), ORS
31 305.140 and 305.150, ORS chapter 314 and the following sections are incor-

1 porated into and made a part of this chapter: ORS 315.104, 315.141, 315.156,
2 315.176, 315.204, 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.506,
3 315.507, 315.523, 315.533, 315.593 and 315.643 and section 2, chapter 34, Oregon
4 Laws 2022, and section 8, chapter 115, Oregon Laws 2022, **and section 2 of**
5 **this 2023 Act** (all only to the extent applicable to a corporation) and ORS
6 chapter 317.

7 **SECTION 5. Section 2 of this 2023 Act applies to tax years beginning**
8 **on or after January 1, 2024, and before January 1, 2030.**

9 **SECTION 6. This 2023 Act takes effect on the 91st day after the date**
10 **on which the 2023 regular session of the Eighty-second Legislative**
11 **Assembly adjourns sine die.**

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