

House Bill 3244

Sponsored by Representatives NATHANSON, NOSSE, BYNUM; Representative EVANS, Senators BEYER, RILEY, TAYLOR, THOMSEN

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Increases maximum amount of tax credits for certified film production development contributions that may be certified for fiscal year for all taxpayers.

Applies to fiscal years beginning on or after July 1, 2021.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credits for certified film production development contributions; creating new pro-
3 visions; amending ORS 315.514; and prescribing an effective date.

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

5 **SECTION 1.** ORS 315.514 is amended to read:

6 315.514. (1) A credit against the taxes that are otherwise due under ORS chapter 316 or, if the
7 taxpayer is a corporation, under ORS chapter 317 or 318, is allowed to a taxpayer for certified film
8 production development contributions made by the taxpayer during the tax year to the Oregon
9 Production Investment Fund established under ORS 284.367.

10 (2)(a) The Department of Revenue shall, in cooperation with the Oregon Film and Video Office,
11 conduct an auction of tax credits under this section. The auction may be conducted no later than
12 April 15 following December 31 of any tax year for which the credit is allowed. The department may
13 conduct the auction in the manner that it determines is best suited to maximize the return to the
14 state on the sale of tax credit certifications and shall announce a reserve bid prior to conducting
15 the auction. The reserve amount shall be at least 90 percent of the total amount of the tax credit.
16 Moneys necessary to reimburse the department for the actual costs incurred by the department in
17 administering an auction, not to exceed 0.25 percent of auction proceeds, are continuously appro-
18 priated to the department. The department shall deposit net receipts from the auction required un-
19 der this section in the Oregon Production Investment Fund.

20 (b) The Oregon Film and Video Office shall adopt rules in order to achieve the following goals:

21 (A) Subject to paragraph (a) of this subsection, generate contributions for which tax credits of
22 [*\$14 million*] **\$20 million** are certified for each fiscal year;

23 (B) Maximize income and excise tax revenues that are retained by the State of Oregon for state
24 operations; and

25 (C) Provide the necessary financial incentives for taxpayers to make contributions, taking into
26 consideration the impact of granting a credit upon a taxpayer's federal income tax liability.

27 (3) Contributions made under this section shall be deposited in the Oregon Production Invest-
28 ment Fund.

29 (4)(a) Upon receipt of a contribution, the Oregon Film and Video Office shall, except as provided
30 in ORS 315.516, issue to the taxpayer written certification of the amount certified for tax credit

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 under this section to the extent the amount certified for tax credit, when added to all amounts
2 previously certified for tax credit under this section, does not exceed [*\$14 million*] **\$20 million** for
3 the fiscal year in which certification is made.

4 (b) The Oregon Film and Video Office and the department are not liable, and a refund of a
5 contributed amount need not be made, if a taxpayer who has received tax credit certification is
6 unable to use all or a portion of the tax credit to offset the tax liability of the taxpayer.

7 (5) To the extent the Oregon Film and Video Office does not certify contributed amounts as el-
8 igible for a tax credit under this section, the taxpayer may request a refund of the amount the tax-
9 payer contributed, and the office shall refund that amount.

10 (6)(a) Except as provided in paragraph (b) of this subsection, a tax credit claimed under this
11 section may not exceed the tax liability of the taxpayer and may not be carried over to another tax
12 year.

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

19 (c) A taxpayer is not eligible for a tax credit under this section if the first tax year for which
20 the credit would otherwise be allowed begins on or after January 1, 2024.

21 (7) If a tax credit is claimed under this section by a nonresident or part-year resident taxpayer,
22 the amount shall be allowed without proration under ORS 316.117.

23 (8) If the amount of contribution for which a tax credit certification is made is allowed as a
24 deduction for federal tax purposes, the amount of the contribution shall be added to federal taxable
25 income for Oregon tax purposes.

26 **SECTION 2. The amendments to ORS 315.514 by section 1 of this 2021 Act apply to fiscal**
27 **years beginning on or after July 1, 2021.**

28 **SECTION 3. This 2021 Act takes effect on the 91st day after the date on which the 2021**
29 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

30