

Requested by JOINT COMMITTEE ON TAX EXPENDITURES

**PROPOSED AMENDMENTS TO
HOUSE BILL 2433**

1 In line 2 of the printed bill, after “taxation;” insert “creating new pro-
2 visions; amending ORS 315.167, 315.264, 315.266, 315.271, 315.514, 315.613,
3 315.650, 316.699, 317.097, 320.308, 458.620, 458.660, 458.670, 458.675, 458.680,
4 458.685, 458.690, 458.700, 654.086, 658.453 and 658.815 and section 77, chapter
5 736, Oregon Laws 2003, section 1a, chapter 559, Oregon Laws 2005, section
6 9, chapter 765, Oregon Laws 2007, section 9, chapter 843, Oregon Laws 2007,
7 sections 25, 27, 39, 42 and 50, chapter 913, Oregon Laws 2009, and section 5,
8 chapter 701, Oregon Laws 2015;”.

9 Delete lines 4 through 15 and insert:

10 **“SECTION 1.** Section 39, chapter 913, Oregon Laws 2009, as amended by
11 section 16, chapter 701, Oregon Laws 2015, is amended to read:

12 **“Sec. 39.** A credit may not be claimed under ORS 316.099 for tax years
13 beginning on or after January 1, [2022] **2028.**

14 **“SECTION 2.** Section 42, chapter 913, Oregon Laws 2009, as amended by
15 section 14, chapter 701, Oregon Laws 2015, is amended to read:

16 **“Sec. 42.** A credit may not be claimed under ORS 316.758 for tax years
17 beginning on or after January 1, [2022] **2028.**

18 **“SECTION 3.** Section 25, chapter 913, Oregon Laws 2009, as amended by
19 section 10, chapter 750, Oregon Laws 2013, section 18, chapter 701, Oregon
20 Laws 2015, section 7, chapter 829, Oregon Laws 2015, and section 13, chapter
21 610, Oregon Laws 2017, is amended to read:

1 “**Sec. 25.** (1) Except as provided in subsection (2) of this section, a credit
2 may not be claimed under ORS 315.613 for tax years beginning on or after
3 January 1, [2022] **2028**.

4 “(2) A taxpayer who meets the eligibility requirements in ORS 315.613 for
5 the tax year beginning on or after January 1, [2021] **2027**, and before January
6 1, [2022] **2028**, shall be allowed the credit under ORS 315.613 for any tax year:

7 “(a) That begins on or before January 1, [2031] **2037**; and

8 “(b) For which the taxpayer meets the eligibility requirements of ORS
9 315.613.

10 “(3) Notwithstanding subsection (2) of this section, a taxpayer may not
11 during the taxpayer’s lifetime claim the credit allowed under this section for
12 more than a total of 10 tax years that begin on or after January 1, 2018.

13 “**SECTION 3a.** ORS 315.613 is amended to read:

14 “315.613. (1) An annual credit against the taxes otherwise due under ORS
15 chapter 316 shall be allowed to a resident or nonresident individual who is:

16 “(a) Certified as eligible under ORS 442.563;

17 “(b) Licensed under ORS chapter 677;

18 “(c) Engaged in the practice of medicine, and engaged for at least 20
19 hours per week, averaged over the month, during the tax year in a rural
20 practice; and

21 “(d) Has adjusted gross income not in excess of \$300,000 for the tax year.
22 The limitation in this paragraph does not apply to a physician who practices
23 as a general surgeon, specializes in obstetrics, [or] specializes in family or
24 general practice and provides obstetrical services **or practices emergency**
25 **medicine in a county that is a frontier rural practice county under**
26 **rules adopted by the Office of Rural Health.**

27 “(2) The amount of credit allowed shall be based on the distance from a
28 major population center in a qualified metropolitan statistical area at which
29 the taxpayer maintains a practice or hospital membership:

30 “(a) If at least 10 miles but fewer than 20 miles, \$3,000.

1 “(b) If at least 20 miles but fewer than 50 miles, \$4,000.

2 “(c) If 50 or more miles, \$5,000.

3 “(3) The credit shall be allowed during the time in which the individual
4 retains such practice and membership if the individual is actively practicing
5 in and is a member of the medical staff of one of the following hospitals:

6 “(a) A type A hospital designated as such by the Office of Rural Health;

7 “(b) A type B hospital designated as such by the Office of Rural Health
8 if the hospital is:

9 “(A) Not within the boundaries of a metropolitan statistical area;

10 “(B) Located 30 or more miles from the closest hospital within the major
11 population center in a metropolitan statistical area; or

12 “(C) Located in a county with a population of less than 75,000;

13 “(c) A type C rural hospital, if the Office of Rural Health makes the
14 findings required by ORS 315.619;

15 “(d) A rural critical access hospital; or

16 “(e) A hospital:

17 “(A) Classified by the Centers for Medicare and Medicaid Services as a
18 rural referral center in accordance with 42 U.S.C. 1395ww(d)(5)(C)(i); and

19 “(B) Classified by the Centers for Medicare and Medicaid Services as a
20 sole community hospital in accordance with 42 U.S.C. 1395ww(d)(5)(D)(iii).

21 “(4) In order to claim the credit allowed under this section, the individual
22 must remain willing during the tax year to serve patients with Medicare
23 coverage and patients receiving medical assistance in at least the same pro-
24 portion to the individual’s total number of patients as the Medicare and
25 medical assistance populations represent of the total number of persons de-
26 termined by the Office of Rural Health to be in need of care in the county
27 served by the practice, not to exceed 20 percent Medicare patients or 15
28 percent medical assistance patients.

29 “(5) A nonresident individual shall be allowed the credit under this sec-
30 tion in the proportion provided in ORS 316.117. If a change in the status of

1 a taxpayer from resident to nonresident or from nonresident to resident oc-
2 curs, the credit allowed by this section shall be determined in a manner
3 consistent with ORS 316.117.

4 “(6) For purposes of this section, an ‘individual’s practice’ shall be de-
5 termined on the basis of actual time spent in practice each week in hours
6 or days, whichever is considered by the Office of Rural Health to be more
7 appropriate. In the case of a shareholder of a corporation or a member of a
8 partnership, only the time of the individual shareholder or partner shall be
9 considered and the full amount of the credit shall be allowed to each share-
10 holder or partner who qualifies in an individual capacity.

11 “(7) As used in this section:

12 “(a) ‘Qualified metropolitan statistical area’ means only those counties
13 of a metropolitan statistical area that are located in Oregon if the largest
14 city within the metropolitan statistical area is located in Oregon.

15 “(b) ‘Rural critical access hospital’ means a facility that meets the crite-
16 ria set forth in 42 U.S.C. 1395i-4 (c)(2)(B) and that has been designated a
17 critical access hospital by the Office of Rural Health and the Oregon Health
18 Authority.

19 “(c) ‘Type A hospital,’ ‘type B hospital’ and ‘type C hospital’ have the
20 meaning for those terms provided in ORS 442.470.

21 “**SECTION 4.** Section 27, chapter 913, Oregon Laws 2009, as amended by
22 section 43, chapter 750, Oregon Laws 2013, and section 1, chapter 31, Oregon
23 Laws 2016, is amended to read:

24 “**Sec. 27.** A credit may not be claimed under ORS [315.521] **315.640** if the
25 initial tax year in which the credit would otherwise be allowed begins on
26 or after January 1, [2022] **2028**.

27 “**SECTION 5.** Section 5, chapter 701, Oregon Laws 2015, is amended to
28 read:

29 “**Sec. 5. (1)** [Section 3 of this 2015 Act] **ORS 315.264** applies to tax years
30 beginning on or after January 1, 2016, and before January 1, [2022] **2028**.

1 “(2) The amendments to ORS 315.264 by section 5a of this 2021 Act
2 apply to tax years beginning on or after January 1, 2022, and before
3 January 1, 2028.

4 “**SECTION 5a.** ORS 315.264 is amended to read:

5 “315.264. (1)(a) A credit against the tax otherwise due under ORS chapter
6 316 shall be allowed a taxpayer in an amount equal to a percentage of
7 employment-related expenses of a type allowable as a credit pursuant to
8 section 21 of the Internal Revenue Code, notwithstanding the limitation im-
9 posed by section 21(c) of the Internal Revenue Code, and limited as provided
10 in paragraph (c) of this subsection.

11 “(b) The credit allowed under this section may be claimed for expenses
12 for care of a qualifying individual that allow a nonmarried taxpayer to seek
13 employment or to attend school **as a degree-seeking student enrolled** on
14 a full-time or part-time basis.

15 “(c) The employment-related expenses for which a credit is claimed under
16 this section may not exceed the least of:

17 “(A) **The combination of** earned income taxable by Oregon and report-
18 able on the taxpayer’s return **and imputed income;**

19 “(B) The lesser amount [*of earned income taxable by Oregon earned by ei-*
20 *ther spouse*], **attributable to either spouse, of the combination of the**
21 **spouse’s imputed income and the spouse’s earned income subject to**
22 **taxation by Oregon,** if reportable on a joint return; or

23 “(C) \$12,000 for a taxpayer for which there is one qualifying individual,
24 or \$24,000 for a taxpayer for which there are two or more qualifying indi-
25 viduals.

26 “(d) The limitations in paragraph (c)(C) of this subsection shall be re-
27 duced by the aggregate amount excludable under section 129 of the Internal
28 Revenue Code for the tax year.

29 “(2) The applicable percentage described in subsection (1) of this section
30 shall be determined in accordance with the following table:

1 “ _____
 2 Greater of Federal
 3 or Oregon Adjusted
 4 Gross Income, as Applicable percentage based on age of youngest
 5 Percentage of Federal qualifying individual on January 1 of tax year
 6 Poverty Level
 7 “ _____

| | At least 6 years | | | | | |
|----|------------------|-------------|-----------------|----------|------------|----------|
| | but less than | | | | | |
| | At least | | 13, or at least | | | |
| | 3 years | 13 but less | 18 years or | | | |
| | Greater | Less than | Under 3 | but less | than 18 if | older if |
| | than | or equal to | years | than 6 | disabled | disabled |
| 14 | 0% | 10% | 10% | 8% | 5% | 5% |
| 15 | 10% | 20% | 20% | 18% | 15% | 5% |
| 16 | 20% | 30% | 30% | 28% | 25% | 10% |
| 17 | 30% | 40% | 40% | 38% | 35% | 20% |
| 18 | 40% | 50% | 50% | 48% | 45% | 30% |
| 19 | 50% | 60% | 55% | 53% | 50% | 35% |
| 20 | 60% | 70% | 60% | 58% | 55% | 40% |
| 21 | 70% | 80% | 65% | 63% | 60% | 45% |
| 22 | 80% | 90% | 70% | 68% | 65% | 50% |
| 23 | 90% | 110% | 75% | 73% | 70% | 55% |
| 24 | 110% | 120% | 71% | 69% | 66% | 50% |
| 25 | 120% | 130% | 66% | 64% | 61% | 45% |
| 26 | 130% | 140% | 61% | 59% | 56% | 39% |
| 27 | 140% | 150% | 55% | 53% | 50% | 33% |
| 28 | 150% | 160% | 50% | 48% | 45% | 28% |
| 29 | 160% | 200% | 47% | 45% | 42% | 25% |
| 30 | 200% | 210% | 45% | 43% | 40% | 22% |

| | | | | | | |
|---|------|------|-----|-----|-----|-----|
| 1 | 210% | 220% | 40% | 38% | 35% | 20% |
| 2 | 220% | 230% | 35% | 33% | 30% | 15% |
| 3 | 230% | 240% | 30% | 28% | 25% | 10% |
| 4 | 240% | 250% | 20% | 18% | 15% | 5% |
| 5 | 250% | 260% | 10% | 8% | 5% | 5% |
| 6 | 260% | 280% | 6% | 6% | 4% | 4% |
| 7 | 280% | 300% | 4% | 4% | 4% | 4% |
| 8 | 300% | - | 0% | 0% | 0% | 0% |

9 “

10 “(3) The applicable percentage for a household in excess of eight members
11 shall be calculated as if for a household size of eight members.

12 “(4) The credit under this section is not allowed to a taxpayer with fed-
13 eral adjusted gross income or Oregon adjusted gross income, whichever is
14 greater, in excess of 300 percent of the federal poverty level.

15 “(5) **For the purposes of calculating the allowed amount of credit**
16 **applicable to a student:**

17 “(a) **Imputed income shall equal \$1,000 per qualified month per**
18 **student for a student for whom there is one qualifying individual, or**
19 **\$2,000 per qualified month per student for a student for which there**
20 **are two or more qualifying individuals.**

21 “(b) **A qualified month is any month in which the student is a**
22 **full-time or part-time student and attending school, or a summer**
23 **month in a calendar year in which the student was enrolled in a**
24 **degree-seeking program in both the spring and fall academic terms.**

25 “(c) **The school ratio shall equal 100 percent for a month for which**
26 **a student is qualified for student financial aid as a full-time student,**
27 **and 70 percent for a month for which a student is qualified for student**
28 **financial aid as a part-time student.**

29 “(d) **If a student is a part-time student for a portion of the year and**
30 **a full-time student for the balance of the year, the credit shall be**

1 **prorated. The school ratio applicable to the summer months, if any,**
2 **shall be the school ratio applicable to the immediately preceding**
3 **spring month.**

4 **“(6) Notwithstanding subsections (2) and (3) of this section, for a**
5 **student with adjusted gross income as a percentage of the federal**
6 **poverty level that is less than or equal to 110 percent, the amount of**
7 **credit shall be the greater of:**

8 **“(a) The credit calculated using subsection (2) of this section; or**

9 **“(b) The product of the applicable percentage, as shown in sub-**
10 **section (2) of this section, corresponding to an adjusted gross income**
11 **percentage of 110 percent, multiplied by:**

12 **“(A) The lesser of expenses for care of a qualifying individual or**
13 **imputed income; and**

14 **“(B) The school ratio.**

15 **“[(5)] (7) In order to ensure compliance with the eligibility requirements**
16 **of the credit allowed under this section, the Department of Revenue shall**
17 **be afforded access to utilization data maintained by the Department of Hu-**
18 **man Services in its administration of the Employment Related Day Care**
19 **program.**

20 **“[(6)] (8) The Department of Revenue may assess a penalty in an amount**
21 **not to exceed 25 percent of the amount of credit claimed by the taxpayer**
22 **against any taxpayer who knowingly claims or attempts to claim any amount**
23 **of credit under this section for which the taxpayer is ineligible, or against**
24 **any individual who knowingly assists another individual in claiming any**
25 **amount of credit for which the individual is ineligible.**

26 **“[(7)] (9) The Department of Revenue may adopt rules for carrying out the**
27 **provisions of this section and prescribe the form used to claim a credit and**
28 **the information required on the form.**

29 **“[(8)] (10) A nonresident individual shall be allowed the credit computed**
30 **in the same manner and subject to the same limitations as the credit allowed**

1 a resident by subsection (1) of this section. However, the credit shall be
2 prorated using the proportion provided in ORS 316.117.

3 “[9] (11) If a change in the taxable year of a taxpayer occurs as de-
4 scribed in ORS 314.085, or if the Department of Revenue terminates the
5 taxpayer’s taxable year under ORS 314.440, the credit allowed by this section
6 shall be prorated or computed in a manner consistent with ORS 314.085.

7 “[10] (12) If a change in the status of a taxpayer from resident to non-
8 resident or from nonresident to resident occurs, the credit allowed by this
9 section shall be determined in a manner consistent with ORS 316.117.

10 “[11] (13) 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 ORS
12 316.187 or 316.583, other tax prepayment amounts and other refundable credit
13 amounts, exceeds the taxes imposed by ORS chapters 314 and 316 for the tax
14 year after application of any nonrefundable credits allowable for purposes
15 of ORS chapter 316 for the tax year, the amount of the excess shall be re-
16 funded to the taxpayer as provided in ORS 316.502.

17 “[12] (14) Any amount that is refunded to the taxpayer under this sec-
18 tion and that is in excess of the tax liability of the taxpayer does not bear
19 interest.

20 **“SECTION 6.** ORS 315.271 is amended to read:

21 “315.271. (1) A credit against taxes otherwise due under ORS chapter 316,
22 317 or 318 shall be allowed for donations to a fiduciary organization for
23 distribution to individual development accounts established under ORS
24 458.685. The credit shall equal a percentage of the taxpayer’s donation
25 amount, as determined by the fiduciary organization, but not to exceed 90
26 percent of any donation amount. **A credit may be claimed for a donation**
27 **made not later than April 15 following December 31 of the tax year for**
28 **which the credit is allowed.** To qualify for a credit under this section,
29 donations to a fiduciary organization must be made prior to [*January 1,*
30 *2022*] **April 15, 2028.**

1 “(2) If a credit allowed under this section is claimed, the amount upon
2 which the credit is based that is allowed or allowable as a deduction from
3 federal taxable income under section 170 of the Internal Revenue Code shall
4 be added to federal taxable income in determining Oregon taxable income.
5 As used in this subsection, the amount upon which a credit is based is the
6 allowed credit divided by the applicable percentage, as determined by the
7 fiduciary organization.

8 “(3) The allowable tax credit that may be used in any one tax year shall
9 not exceed the tax liability of the taxpayer.

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

18 “(5) The total credits allowed to all taxpayers in any tax year under this
19 section and ORS 458.690 may not exceed \$7.5 million. The total credit al-
20 lowed to a taxpayer in any tax year under this section and ORS 458.690 may
21 not exceed \$500,000.

22 “**SECTION 7.** Section 9, chapter 765, Oregon Laws 2007, as amended by
23 section 7, chapter 701, Oregon Laws 2015, is amended to read:

24 “**Sec. 9. (1)** A credit may not be claimed under ORS 315.271 and 458.690
25 for tax years beginning on or after January 1, [2022] **2028.**

26 “**(2) The amendments to ORS 315.271 by section 6 of this 2021 Act**
27 **apply to tax years beginning on or after January 1, 2022, and before**
28 **January 1, 2028.**

29 “**SECTION 8.** ORS 458.670 is amended to read:

30 “458.670. As used in this section and ORS 458.675 to 458.700, unless the

1 context requires otherwise:

2 “(1) ‘Account holder’ means a resident of this state who:

3 “(a) Is 12 years of age or older;

4 “(b) Is a member of a lower income household; and

5 “(c) Has established an individual development account with a fiduciary
6 organization.

7 “(2) ‘Fiduciary organization’ means an organization selected under ORS
8 458.695 to administer state moneys directed to individual development ac-
9 counts and that is:

10 “(a) A nonprofit, fund raising organization that is exempt from taxation
11 under section 501(c)(3) of the Internal Revenue Code as amended and in ef-
12 fect on December 31, 2018; or

13 “(b) A federally recognized Oregon Indian tribe that is located, to a sig-
14 nificant degree, within the boundaries of this state.

15 “(3) ‘Financial institution’ means:

16 “(a) An organization regulated under ORS chapters 706 to 716 or 723; or

17 “(b) In the case of individual development accounts established for the
18 purpose described in ORS 458.685 (1)(c), a financial institution as defined in
19 ORS 178.300.

20 “(4) ‘Individual development account’ means a contract between an ac-
21 count holder and a fiduciary organization, for the deposit of funds into a fi-
22 nancial institution by the account holder[,] and the deposit of matching
23 funds into [*the financial institution*] **a designated account** by the fiduciary
24 organization, to allow the account holder to accumulate assets for use to-
25 ward achieving a specific purpose approved by the fiduciary organization.

26 “(5) ‘Lower income household’ means a household having an income equal
27 to or less than the greater of the following:

28 “(a) 80 percent of the median household income for the area as determined
29 by the Housing and Community Services Department. In making the deter-
30 mination, the department shall give consideration to any data on area

1 household income published by the United States Department of Housing and
2 Urban Development.

3 “(b) 200 percent of the poverty guidelines as determined by the Housing
4 and Community Services Department. In making the determination, the de-
5 partment shall give consideration to poverty guidelines published by the
6 United States Department of Health and Human Services and may consider
7 other income data periodically published by other federal or Oregon agen-
8 cies.

9 “(6)(a) **‘Net worth’ means a calculation based on the net value of**
10 **assets of a household established by rule by the Housing and Commu-**
11 **nity Services Department.**

12 “(b) **‘Net worth’ does not include:**

13 “(A) **Equity in one residence and in one vehicle.**

14 “(B) **Holdings in pension accounts valued at less than \$120,000.**

15 “[6)] (7) ‘Resident of this state’ has the meaning given that term in ORS
16 316.027.

17 “**SECTION 9.** ORS 458.675 is amended to read:

18 “458.675. The Legislative Assembly finds that:

19 “(1) The problem of poverty will not be solved solely by government pro-
20 grams and income subsidies.

21 “(2) Family economic well-being does not come solely from income,
22 spending or consumption, but instead requires savings, investment and the
23 accumulation of assets.

24 “(3) It is appropriate for the state to institute an asset-based antipoverty
25 strategy.

26 “(4) The state has an opportunity to take advantage of private and federal
27 resources by making the transition to an asset-based antipoverty strategy.
28 Those resources **may** include, but are not limited to, the Assets for Inde-
29 pendence Act (42 U.S.C. 604) and the Workforce Innovation and Opportunity
30 Act (29 U.S.C. 3101 et seq.).

1 “(5) Investment through an individual development account system will
2 help lower income households obtain the assets they need to succeed. Com-
3 munities and this state will experience resultant economic and social bene-
4 fits accruing from the promotion of [*job training and higher education, home*
5 *ownership and small business development*] **the financial stability and**
6 **resilience of lower income households.**

7 “[*(6) It is desirable for this state to enact legislation that enables an au-*
8 *thorized fiduciary organization sufficient flexibility to receive private, state*
9 *and federal moneys for individual development accounts. The Legislative As-*
10 *sembly should periodically review the provisions of ORS 458.675 to 458.700 to*
11 *ensure that this state maximizes the receipt of available federal moneys for*
12 *individual development accounts.*]

13 **“SECTION 10.** ORS 458.680 is amended to read:

14 “458.680. (1) A person who qualifies to become an account holder may
15 enter into an agreement with a fiduciary organization for the establishment
16 of an individual development account.

17 “(2) To become an account holder a person must, in addition to meeting
18 any other qualifications, be a member of a lower income household that has
19 a net worth of less than \$20,000. [*As used in this subsection, ‘net worth’*
20 *means the value of all assets owned in whole or part by household members,*
21 *excluding equity in a residence and in one vehicle, and excluding holdings in*
22 *pension accounts, as defined by the Housing and Community Services Depart-*
23 *ment by rule, that are valued at less than \$60,000, minus the total debts and*
24 *obligations of household members, all as measured at the time that the person*
25 *applies to establish the account.*]

26 “(3) Every account holder, with support from the fiduciary organization,
27 shall develop a personal development plan to advance account holder self-
28 reliance. The personal development plan must include appropriate coaching,
29 mentorship, social support, financial adequacy training and asset-specific
30 training designed to increase the independence of the person and the person’s

1 household through achievement of the account's approved purpose.

2 “(4) Notwithstanding subsection (1) of this section, a fiduciary organiza-
3 tion may refuse to allow a qualified person to establish an account if estab-
4 lishment of the account would result in the members of a lower income
5 household having more than one account. Notwithstanding subsection (1) of
6 this section, a fiduciary organization shall refuse to allow a qualified person
7 to establish an account if establishment of the account would result in the
8 members of a lower income household having more than two accounts.

9 **“SECTION 11.** ORS 458.685, as amended by section 36, chapter 12, Oregon
10 Laws 2020 (first special session) (Enrolled House Bill 4212), is amended to
11 read:

12 “458.685. (1) A person may establish an individual development account
13 only for a purpose approved by a fiduciary organization. Purposes that the
14 fiduciary organization may approve are:

15 “(a) The acquisition of post-secondary education or job training.

16 “(b) If the account holder has established the account for the benefit of
17 a household member who is under the age of 18 years, the payment of ex-
18 tracurricular nontuition expenses designed to prepare the member for post-
19 secondary education or job training.

20 “(c) If the account holder has established a savings network account for
21 higher education under ORS 178.300 to 178.360 on behalf of a designated
22 beneficiary, the funding of qualified higher education expenses as defined in
23 ORS 178.300 by one or more deposits into a savings network account for
24 higher education on behalf of the same designated beneficiary.

25 “(d) The purchase of a primary residence. In addition to payment on the
26 purchase price of the residence, account moneys may be used to pay any
27 usual or reasonable settlement, financing or other closing costs. The account
28 holder must not have owned or held any interest in a residence during the
29 three years prior to making the purchase. However, this three-year period
30 shall not apply to displaced homemakers, individuals who have lost home

1 ownership as a result of divorce or owners of manufactured homes.

2 “(e) The rental of a primary residence when housing stability is essential
3 to achieve state policy goals. Account moneys may be used for security de-
4 posits, first and last months’ rent, application fees and other expenses nec-
5 essary to move into the primary residence, as specified in the account
6 holder’s personal development plan for increasing the independence of the
7 person.

8 “(f) The capitalization of a small business. Account moneys may be used
9 for capital, plant, equipment and inventory expenses and to hire employees
10 upon capitalization of the small business, or for working capital pursuant to
11 a business plan. The business plan must have been developed [by] **with** a fi-
12 nancial institution, nonprofit microenterprise program or other qualified
13 agent demonstrating business expertise and have been approved by the
14 fiduciary organization. The business plan must include a description of the
15 services or goods to be sold, a marketing plan and projected financial state-
16 ments.

17 “(g) Improvements, repairs or modifications necessary to make or keep the
18 account holder’s primary dwelling habitable, accessible or visitable for the
19 account holder or a household member. This paragraph does not apply to
20 improvements, repairs or modifications made to a rented primary dwelling
21 to achieve or maintain a habitable condition for which ORS 90.320 (1) places
22 responsibility on the landlord. As used in this paragraph, ‘accessible’ and
23 ‘visitable’ have the meanings given those terms in ORS 456.508.

24 “(h) The purchase of equipment, technology or specialized training [*re-*
25 *quired*], **as specified in the account holder’s personal development plan,**
26 **that allows the person** to become competitive in obtaining or maintaining
27 employment, [*or*] to start or maintain a business, [*as specified in the account*
28 *holder’s personal development plan for increasing*] **or to increase** the inde-
29 pendence of [*the person*] **an account holder.**

30 “(i) The purchase or repair of a vehicle, as specified in the account

1 holder's personal development plan for increasing the independence of the
2 person.

3 “(j) The saving of funds for retirement, as specified in the account
4 holder's personal development plan for increasing the independence of the
5 person.

6 “(k) The payment of debts [*owed for educational or medical purposes when*
7 *the account holder is saving for another allowable purpose, as specified in*] **to**
8 **support** the account holder's personal development plan for increasing the
9 independence of the person.

10 “(L) The creation or improvement of a credit score by obtaining a secured
11 loan or a financial product that is designed to improve credit, as specified
12 in the account holder's personal development plan for increasing the inde-
13 pendence of the person.

14 “(m) The replacement of a primary residence when replacement offers
15 significant opportunity to improve habitability or energy efficiency.

16 “(n) The establishment of savings for emergency expenses to promote fi-
17 nancial stability and to protect existing assets **as specified in the account**
18 **holder's personal development plan**. As used in this paragraph, ‘emer-
19 gency expenses’ includes expenses for extraordinary medical costs or other
20 unexpected and substantial personal expenses that would significantly impact
21 the account holder's noncash assets, health, housing or standard of living if
22 not promptly addressed.

23 “(2)(a) An account holder may withdraw all or part of the account
24 holder's deposits to an individual development account for [*emergency ex-*
25 *penses as defined in subsection (1)(n) of this section*] **any financial hardship**
26 **as determined by the account holder**, without regard to whether the ac-
27 count was established for emergency savings.

28 “(b) [*The account holder must reimburse an account established for a pur-*
29 *pose listed under subsection (1)(a) to (m) of this section for the amount with-*
30 *drawn under this subsection. Until the reimbursement has been made in full,*

1 *an account holder may not withdraw any matching deposits or accrued interest*
2 *on matching deposits from the account except under this subsection.] The*
3 **fiduciary organization shall remove from an account holder’s account**
4 **any moneys deposited as matching funds to deposits withdrawn under**
5 **this section, unless the withdrawn deposits were deposited and with-**
6 **drawn for emergency expenses under subsection (1)(n) of this section.**

7 “[(3) *If an account holder withdraws moneys from an individual develop-*
8 *ment account for other than an approved purpose, the fiduciary organization*
9 *may remove the account holder from the program.]*

10 “[4(a)] **(3)(a)** If the account holder of an account established for the
11 purpose set forth in subsection (1)(c) or (j) of this section has achieved the
12 account’s approved purpose in accordance with the personal development
13 plan developed by the account holder under ORS 458.680, the account holder
14 may withdraw, or authorize the withdrawal of, the remaining amount of all
15 deposits, including matching deposits, and interest in the account as follows:

16 “(A) For an account established for the purpose set forth in subsection
17 (1)(c) of this section, by rolling over the entire withdrawal amount, not to
18 exceed the limit established pursuant to ORS 178.335, into one or more of the
19 savings network accounts for higher education under ORS 178.300 to 178.360,
20 the establishment of which is the purpose of the individual development ac-
21 count; or

22 “(B) For an account established for the purpose set forth in subsection
23 (1)(j) of this section, by rolling over the entire withdrawal amount into an
24 individual retirement account, a retirement plan or a similar account or plan
25 established under the Internal Revenue Code.

26 “(b) Upon withdrawal of all moneys in the individual development ac-
27 count as provided in paragraph (a) of this subsection, the account relation-
28 ship shall terminate.

29 “(c) The rollover of moneys into a savings network account for higher
30 education under this subsection may not cause the amount in the savings

1 network account for higher education to exceed the limit on total contribu-
2 tions established pursuant to ORS 178.335.

3 “(d) Any amount of the rollover that has been subtracted on the
4 taxpayer’s federal return pursuant to section 219 of the Internal Revenue
5 Code shall be added back in the determination of taxable income.

6 “[5] (4) If an account holder moves from the area where the program is
7 conducted or is otherwise unable to continue in the program, the fiduciary
8 organization may remove the account holder from the program.

9 “[6] (5) If an account holder is removed from the program under sub-
10 section [(3) or (5)] (4) of this section, all matching deposits in the account
11 and all interest earned on matching deposits shall revert to the fiduciary
12 organization. The fiduciary organization shall use the reverted funds as a
13 source of matching deposits for other accounts.

14 **“SECTION 12.** ORS 458.690 is amended to read:

15 “458.690. (1) [*Notwithstanding ORS 315.271,*] A fiduciary organization se-
16 lected under ORS 458.695 may qualify as the recipient of account contribu-
17 tions that qualify the contributor for a tax credit under ORS 315.271 only if
18 [*the fiduciary organization structures the accounts to have the following fea-*
19 *tures:*]

20 “[*(a)*] the fiduciary organization matches amounts deposited by the ac-
21 count holder according to a formula established by the fiduciary
22 organization[. *The fiduciary organization shall maintain on deposit in the*
23 *account*] **of** not less than \$1 nor more than \$5 for each \$1 deposited by the
24 account holder.

25 “[*(b) The matching deposits by the fiduciary organization to the individual*
26 *development account are placed in:*]

27 “[*(A) A savings account jointly held by the account holder and the*
28 *fiduciary organization and requiring the signatures of both for withdrawals;*]

29 “[*(B) A savings*] **The matching funds must be deposited into a des-**
30 **ignated** account that is controlled by the fiduciary organization and is sep-

1 arate from the savings account of the account holder[; or].

2 “[C] In the case of an account established for the purpose described in
3 ORS 458.685 (1)(c), a savings network account for higher education under ORS
4 178.300 to 178.360, in which the fiduciary organization is the account owner
5 as defined in ORS 178.300.]

6 “(2) Account holders may not accrue more than [\$3,000] **\$6,000** of match-
7 ing funds under subsection (1) of this section from state-directed moneys in
8 any 12-month period. A fiduciary organization may designate a lower amount
9 as a limit on annual matching funds. A fiduciary organization shall maintain
10 on deposit sufficient funds to cover the matching deposit agreements for all
11 individual development accounts managed by the organization.

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

15 “(4) The Housing and Community Services Department shall provide in-
16 formation to the Department of Revenue about all individual development
17 account contributors that are qualified for a tax credit under ORS 315.271,
18 if required by ORS 315.058.

19 “**SECTION 13.** ORS 458.700 is amended to read:

20 “458.700. (1) Subject to Housing and Community Services Department
21 rules, a fiduciary organization has sole authority over, and responsibility for,
22 the administration of individual development accounts. The responsibility of
23 the fiduciary organization extends to all aspects of the account program,
24 including marketing to participants, soliciting **additional** matching contri-
25 butions, counseling account holders, providing financial literacy education,
26 and conducting required verification and compliances activities. The
27 fiduciary organization may establish program provisions as the organization
28 believes necessary to ensure account holder compliance with the provisions
29 of ORS 458.680 and 458.685. [*Notwithstanding ORS 458.670 (5) and 458.680*
30 (2),] A fiduciary organization may establish income and net worth limitations

1 for account holders that are lower than the income and net worth limitations
2 established by ORS 458.670 (5) and 458.680 (2).

3 “(2) A fiduciary organization may act in partnership with other entities,
4 including businesses, government agencies, nonprofit organizations, commu-
5 nity development corporations, community action programs, housing author-
6 ities and congregations to assist in the fulfillment of fiduciary organization
7 responsibilities under [*this section and ORS 458.685, 458.690 and 458.695*]
8 **ORS 458.670 to 458.700.**

9 “(3) A fiduciary organization may use a reasonable portion of moneys al-
10 located to the individual development account program for administration,
11 operation and evaluation purposes.

12 “(4) A fiduciary organization [*selected to administer moneys directed by the*
13 *state to individual development account purposes or receiving tax deductible*
14 *contributions*] shall provide the Housing and Community Services Depart-
15 ment with an annual report of the fiduciary organization’s individual devel-
16 opment account program activity. The report [*shall*] **must** be filed no later
17 than 90 days after the end of the fiscal year of the fiduciary organization.
18 The report [*shall*] **must** include, but is not limited to:

19 “(a) The number of individual development accounts administered by the
20 fiduciary organization;

21 “(b) The amount of deposits and matching deposits for each account;

22 “(c) The purpose of each account;

23 “(d) The number of withdrawals made; and

24 “(e) Any other information the department may require for the purpose
25 of making a return on investment analysis.

26 “[*5*] A fiduciary organization that is the account owner of a savings net-
27 work account for higher education under ORS 178.300 to 178.360:]

28 “[*a*] May make a qualified withdrawal only at the direction of the desig-
29 nated beneficiary and only after the savings network account of the account
30 holder that was established for the designated beneficiary has been reduced to

1 a balance of zero exclusively through qualified withdrawals by the designated
2 beneficiary; and]

3 “[*(b)* May make nonqualified withdrawals only if the savings network ac-
4 count of the account holder that was established for the designated beneficiary
5 has a balance of less than \$100 or if the account holder or designated benefi-
6 ciary has granted permission to make the withdrawal. Moneys received by a
7 fiduciary organization from a nonqualified withdrawal made under this para-
8 graph must be used for individual development account purposes.]

9 “[*(6)*] **(5)** The department may make all reasonable and necessary rules to
10 ensure fiduciary organization compliance with [*this section and ORS 458.685*
11 *and 458.695*] **ORS 458.670 to 458.700.**

12 **“SECTION 14.** ORS 315.650 is amended to read:

13 “315.650. (1) A credit against taxes otherwise imposed under ORS chapter
14 316 shall be allowed for amounts contributed by the taxpayer during the tax
15 year to a savings network account for higher education established under
16 ORS 178.300 to 178.360 or an ABLE account established under ORS 178.380.
17 A taxpayer who makes contributions to both types of account may claim the
18 credit for the amounts listed in subsection (2) of this section for each type
19 of account.

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

24 “(a) The amount contributed, if the taxpayer’s adjusted gross income does
25 not exceed \$30,000;

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

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

30 “(d) 10 percent of the amount contributed, if the taxpayer’s adjusted gross

1 income exceeds \$100,000 but does not exceed \$250,000; or

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

4 “(3)(a) The Department of Revenue shall annually adjust the maximum
5 credit amounts allowable under this section according to the cost-of-living
6 adjustment for the calendar year. The department shall first make this ad-
7 justment for a joint return by multiplying the maximum credit amount in
8 subsection (2) of this section by the percentage (if any) by which the monthly
9 averaged U.S. City Average Consumer Price Index for the 12 consecutive
10 months ending August 31 of the prior calendar year exceeds the monthly
11 averaged U.S. City Average Consumer Price Index for the 12 consecutive
12 months ending August 31, 2018.

13 “(b) As used in this subsection, ‘U.S. City Average Consumer Price
14 Index’ means the U.S. City Average Consumer Price Index for All Urban
15 Consumers (All Items) as published by the Bureau of Labor Statistics of the
16 United States Department of Labor.

17 “(c) If any adjustment to the maximum credit amount for a joint return,
18 as determined under paragraph (a) of this subsection, is not a multiple of \$20,
19 the adjustment shall be rounded to the next lower multiple of \$20. The de-
20 partment shall then adjust the maximum credit amount for all other types
21 of returns so that it is half the maximum credit amount for a joint return.

22 “(4) A credit under this section is allowed for a preceding tax year for
23 amounts contributed to a savings network account for higher education or
24 to an ABLE account if the contribution is made before the taxpayer files a
25 return or before the 15th day of the fourth month following the closing of
26 the taxpayer’s tax year, whichever is earlier.

27 “(5) A credit is not allowed under this section for any amount that has
28 been transferred into a savings network account for higher education from
29 an individual development account, through a rollover, as provided in ORS
30 458.685 [(4)(a)(A)] **(3)(a)(A)**.

1 “(6) If the amount allowable as a credit under this section, when added
2 to the sum of the amounts allowable as payment of tax under ORS 316.187
3 (withholding), ORS 316.583 (estimated tax), other tax prepayment amounts
4 and other refundable credit amounts, exceeds the taxes imposed by ORS
5 chapters 314 and 316 for the tax year (reduced by any nonrefundable credits
6 allowable for purposes of ORS chapter 316 for the tax year), the amount of
7 the excess shall be refunded to the taxpayer as provided in ORS 316.502.

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

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

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

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

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

19 “(c) If a change in the taxable year of the taxpayer occurs as described
20 in ORS 314.085, or if the department terminates the taxpayer’s taxable year
21 under ORS 314.440, the credit shall be prorated or computed in a manner
22 consistent with ORS 314.085.

23 **“SECTION 15.** ORS 316.699 is amended to read:

24 “316.699. (1) There shall be subtracted from federal taxable income the
25 amount contributed to:

26 “(a) A savings network account for higher education established under
27 ORS 178.300 to 178.360; or

28 “(b) An ABLE account established under ORS 178.380 and rules adopted
29 by the Oregon 529 Savings Board, when the contribution is made before the
30 designated beneficiary of the account attains 21 years of age.

1 “(2) Notwithstanding subsection (1) of this section, a subtraction under
2 this section may not exceed the lesser of:

3 “(a) \$4,000 for the tax year if the taxpayer files a joint return, or \$2,000
4 for the tax year if the taxpayer files a return other than a joint return; and

5 “(b) If an amount is carried forward to a succeeding tax year under sub-
6 section (4) of this section, the balance in the savings network account for
7 higher education or ABLE account at the close of the tax year for which the
8 subtraction is being made.

9 “(3)(a) The Department of Revenue shall annually adjust the maximum
10 subtraction allowable under this section according to the cost-of-living ad-
11 justment for the calendar year. The department shall make this adjustment
12 by multiplying the amount in subsection (2) of this section by the percentage
13 (if any) by which the monthly averaged U.S. City Average Consumer Price
14 Index for the 12 consecutive months ending August 31 of the prior calendar
15 year exceeds the monthly averaged U.S. City Average Consumer Price Index
16 for the 12 consecutive months ending August 31, 2007.

17 “(b) As used in this subsection, ‘U.S. City Average Consumer Price
18 Index’ means the U.S. City Average Consumer Price Index for All Urban
19 Consumers (All Items) as published by the Bureau of Labor Statistics of the
20 United States Department of Labor.

21 “(4) Any amounts contributed to a savings network account for higher
22 education or an ABLE account that are not subtracted from federal taxable
23 income because of the monetary limitations imposed by subsection (2) of this
24 section may be carried forward for four succeeding tax years and subtracted
25 from federal taxable income in any of those succeeding tax years in an
26 amount that does not exceed the monetary limitations imposed by subsection
27 (2) of this section.

28 “(5) The amount contributed to a savings network account for higher ed-
29 ucation or an ABLE account may be subtracted from a preceding tax year
30 if the contribution is made before the taxpayer files a return or before the

1 15th day of the fourth month following the closing of the taxpayer’s tax year,
2 whichever is earlier.

3 “(6) A subtraction is not allowed under this section for any amount that
4 has been transferred into a savings network account for higher education
5 from an individual development account, through a rollover, as provided in
6 ORS 458.685 [(4)(a)(A)] **(3)(a)(A)**.

7 “**SECTION 16.** Section 50, chapter 913, Oregon Laws 2009, as amended
8 by section 13, chapter 701, Oregon Laws 2015, is amended to read:

9 “**Sec. 50. An offset is not allowed under** ORS 734.835 *[does not apply*
10 *to tax years beginning]* **if the first tax year for which the credit would**
11 **otherwise be allowed begins** on or after January 1, [2022] **2028**.

12 “**SECTION 17.** Section 9, chapter 843, Oregon Laws 2007, as amended by
13 section 52, chapter 913, Oregon Laws 2009, and section 12, chapter 701,
14 Oregon Laws 2015, is amended to read:

15 “**Sec. 9.** (1) ORS 315.624 applies to tax years beginning on or after Janu-
16 ary 1, 2008, and before January 1, [2022] **2028**.

17 “(2) The amendments to ORS 316.680 by section 2, chapter 843, Oregon
18 Laws 2007, apply to tax years beginning on or after January 1, 2008, and
19 before January 1, 2012.

20 “**SECTION 18.** ORS 315.167 is amended to read:

21 “315.167. (1) Prior to the completion of an agriculture workforce housing
22 project for which credit under ORS 315.164 will be claimed, an owner or op-
23 erator of agriculture workforce housing shall apply to the Housing and
24 Community Services Department for a letter of credit approval.

25 “(2) The application shall be on such form as is prescribed by the Housing
26 and Community Services Department and shall provide:

27 “(a) The name, address and taxpayer identification number of the tax-
28 payer;

29 “(b) The location of the proposed agriculture workforce housing;

30 “(c) A description of the project identifying the type of housing that is

1 the subject of the agriculture workforce housing project;

2 “(d) An estimate of the eligible costs of the agriculture workforce housing
3 project;

4 “(e) The number of units in the project dedicated to agriculture workforce
5 housing and the eligible costs associated with the units;

6 “(f) The amount of credit to be claimed by the owner or operator of ag-
7 riculture workforce housing, and the amount of credit, if any, to be claimed
8 by a contributor under ORS 315.169; and

9 “(g) Any other information as the Housing and Community Services De-
10 partment may require.

11 “(3) The Housing and Community Services Department may review appli-
12 cations using any reasonable system of prioritizing review established by
13 department rule.

14 “[4] *Applications filed in compliance with this section shall be approved*
15 *by the Housing and Community Services Department to the extent that the*
16 *total of estimated eligible costs for all approved agriculture workforce housing*
17 *projects for the calendar year is equal to or less than \$7.25 million. No appli-*
18 *cation shall be approved if the addition of the estimated eligible costs of the*
19 *project to the estimated eligible costs for all approved projects for the calendar*
20 *year would exceed \$7.25 million.]*

21 “[5] (4) Upon approval of an application, the Housing and Community
22 Services Department shall prepare a letter of credit approval. The letter shall
23 state the approved amount of estimated eligible costs for the agriculture
24 workforce housing project and, if applicable, the portion of credit to be
25 claimed by an owner or operator of agriculture workforce housing under
26 ORS 315.164 and the portion of credit to be claimed by a contributor under
27 ORS 315.169. The letter shall be sent:

28 “(a) To the owner or operator of agriculture workforce housing, if any
29 credit is to be claimed under ORS 315.164; and

30 “(b) To the contributor, if any credit is to be claimed under ORS 315.169

1 and if the contributor has been identified at the time of approval.

2 “[6] (5) At the conclusion of each calendar year, the Housing and Com-
3 munity Services Department shall send a list of the names, addresses and
4 taxpayer identification numbers of taxpayers to whom a letter of credit ap-
5 proval has been issued under this section during the calendar year, along
6 with approved amounts of estimated eligible costs for each agriculture
7 workforce housing project, to the Department of Revenue.

8 “[7] (6) Notwithstanding that a letter of credit approval has been issued
9 to a taxpayer under this section, the Department of Revenue may disallow,
10 in whole or in part, a claim for credit under ORS 315.164 upon the Depart-
11 ment of Revenue’s determination that under the provisions of ORS 315.164
12 the taxpayer is not entitled to the credit or is only entitled to a portion of
13 the amount claimed.

14 **“SECTION 19. Section 20 of this 2021 Act is added to and made a**
15 **part of ORS chapter 315.**

16 **“SECTION 20. The Housing and Community Services Department**
17 **may approve an application under ORS 315.167 only if the potential**
18 **credits of the project would not cause the total potential credits**
19 **claimed under ORS 315.164 (1) for all approved applications to exceed**
20 **\$16.75 million within the biennium in which the application is ap-**
21 **proved.**

22 **“SECTION 21. Section 20 of this 2021 Act applies to biennia begin-**
23 **ning on or after July 1, 2021.**

24 **“SECTION 22. ORS 458.660 is amended to read:**

25 “458.660. (1) Except as provided in subsection (2) of this section, the
26 Housing and Community Services Department shall disburse the moneys
27 credited to the [*Farmworker*] **Agricultural Worker** Housing Development
28 Account to expand this state’s supply of housing for low and very low income
29 [*farmworkers*] **agricultural workers.**

30 “(2) The department may expend funds from the account for adminis-

1 tration of the account as provided for in the legislatively approved budget,
2 as that term is defined in ORS 291.002, for the department.

3 **“SECTION 23.** ORS 458.620 is amended to read:

4 “458.620. (1) There is created, separate and distinct from the General Fund
5 of the State Treasury, the Oregon Housing Fund, which consists of six sep-
6 arate revolving accounts:

7 “(a) The Housing Development and Guarantee Account;

8 “(b) The Emergency Housing Account;

9 “(c) The Home Ownership Assistance Account;

10 “(d) The [*Farmworker*] **Agricultural Worker** Housing Development Ac-
11 count;

12 “(e) The General Housing Account; and

13 “(f) The Wildfire Damage Housing Relief Account.

14 “(2) Earnings on investment of moneys in:

15 “(a) The Housing Development and Guarantee Account accrue to that
16 account.

17 “(b) The Emergency Housing Account accrue to that account.

18 “(c) The Home Ownership Assistance Account accrue to that account.

19 “(d) The [*Farmworker*] **Agricultural Worker** Housing Development Ac-
20 count accrue to that account.

21 “(e) The General Housing Account accrue to that account.

22 “(f) The Wildfire Damage Housing Relief Account accrue to that account.

23 “(3)(a) Moneys in the Housing Development and Guarantee Account are
24 continuously appropriated to the Housing and Community Services Depart-
25 ment to carry out the provisions of ORS 458.630.

26 “(b) Moneys in the Emergency Housing Account are continuously appro-
27 priated to the department to carry out the provisions of ORS 458.650.

28 “(c) Moneys in the Home Ownership Assistance Account are continuously
29 appropriated to the department to carry out the provisions of ORS 458.655.

30 “(d) Moneys in the [*Farmworker*] **Agricultural Worker** Housing Devel-

1 opment Account are continuously appropriated to the department to carry
2 out the provisions of ORS 458.660.

3 “(e) Moneys in the General Housing Account are continuously appropri-
4 ated to the department to carry out the provisions of ORS 456.515 to 456.725.

5 “(f) Moneys in the Wildfire Damage Housing Relief Account are contin-
6 uously appropriated to the department to carry out the provisions of ORS
7 458.667.

8 “(4) Individuals and corporations, both for profit or nonprofit, may make
9 monetary contributions to be credited to:

10 “(a) The Housing Development and Guarantee Account; or

11 “(b) The General Housing Account.

12 “**SECTION 24.** ORS 458.620, as amended by section 39, chapter 10, Oregon
13 Laws 2020 (second special session), is amended to read:

14 “458.620. (1) There is created, separate and distinct from the General Fund
15 of the State Treasury, the Oregon Housing Fund, which consists of five sep-
16 arate revolving accounts:

17 “(a) The Housing Development and Guarantee Account;

18 “(b) The Emergency Housing Account;

19 “(c) The Home Ownership Assistance Account;

20 “(d) The [*Farmworker*] **Agricultural Worker** Housing Development Ac-
21 count; and

22 “(e) The General Housing Account.

23 “(2) Earnings on investment of moneys in:

24 “(a) The Housing Development and Guarantee Account accrue to that
25 account.

26 “(b) The Emergency Housing Account accrue to that account.

27 “(c) The Home Ownership Assistance Account accrue to that account.

28 “(d) The [*Farmworker*] **Agricultural Worker** Housing Development Ac-
29 count accrue to that account.

30 “(e) The General Housing Account accrue to that account.

1 “(3)(a) Moneys in the Housing Development and Guarantee Account are
2 continuously appropriated to the Housing and Community Services Depart-
3 ment to carry out the provisions of ORS 458.630.

4 “(b) Moneys in the Emergency Housing Account are continuously appro-
5 priated to the department to carry out the provisions of ORS 458.650.

6 “(c) Moneys in the Home Ownership Assistance Account are continuously
7 appropriated to the department to carry out the provisions of ORS 458.655.

8 “(d) Moneys in the [*Farmworker*] **Agricultural Worker** Housing Devel-
9 opment Account are continuously appropriated to the department to carry
10 out the provisions of ORS 458.660.

11 “(e) Moneys in the General Housing Account are continuously appropri-
12 ated to the department to carry out the provisions of ORS 456.515 to 456.725.

13 “(4) Individuals and corporations, both for profit or nonprofit, may make
14 monetary contributions to be credited to:

15 “(a) The Housing Development and Guarantee Account; or

16 “(b) The General Housing Account.

17 **“SECTION 25.** ORS 654.086 is amended to read:

18 “654.086. (1) The Director of the Department of Consumer and Business
19 Services or the authorized representative of the director has the authority
20 to assess civil penalties as provided by this section for violation of the re-
21 quirements of a state occupational safety or health statute or the lawful
22 rules, standards or orders adopted under the statute. In setting maximum
23 penalties, the director or the director’s representative shall consider, but may
24 not exceed, the maximum penalties under the federal Occupational Safety
25 and Health Act of 1970 (29 U.S.C. 651 et seq.).

26 “(a) Any employer who receives a citation for a serious violation of such
27 requirements shall be assessed a civil penalty of not less than \$50.

28 “(b) Any employer who receives a citation for a violation of such re-
29 quirements, and such violation is specifically determined not to be of a se-
30 rious nature, may be assessed a civil penalty.

1 “(c) Any employer who willfully or repeatedly violates such requirements
2 may be assessed a civil penalty of not less than the minimum penalty under
3 the federal Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et
4 seq.).

5 “(d) Any employer who receives a citation, as provided in ORS 654.071 (4),
6 for failure to correct a violation may be assessed a civil penalty for each day
7 during which the violation continues.

8 “(e) Any employer who knowingly makes any false statement, represen-
9 tation or certification regarding the correction of a violation shall be as-
10 sessed a civil penalty of not less than \$100.

11 “(f) Any employer who violates any of the posting requirements, as pre-
12 scribed under the provisions of ORS 654.001 to 654.295, 654.412 to 654.423 and
13 654.750 to 654.780, may be assessed a civil penalty for each violation.

14 “(g) Any person who violates the provisions of ORS 654.082 (2) or (3) shall
15 be assessed a civil penalty of not less than \$100 for each violation.

16 “(h) Notwithstanding paragraph (b) of this subsection, an employer who
17 substantially fails to comply with ORS 654.174 (1) shall be assessed a civil
18 penalty of not less than \$250 for each violation.

19 “(i) Any insurer or self-insured employer who violates any provision of
20 ORS 654.097, or any rule or order carrying out ORS 654.097, shall be assessed
21 a civil penalty. Each violation, or each day a violation continues, shall be
22 considered a separate offense.

23 “(2) For the purposes of ORS 654.001 to 654.295, 654.412 to 654.423 and
24 654.750 to 654.780 a serious violation exists in a place of employment if there
25 is a substantial probability that death or serious physical harm could result
26 from a condition which exists, or from one or more practices, means, meth-
27 ods, operations or processes which have been adopted or are in use, in such
28 place of employment unless the employer did not, and could not with the
29 exercise of reasonable diligence, know of the presence of the violation.

30 “(3) When an order assessing a civil penalty becomes final by operation

1 of law or on appeal, unless the amount of penalty is paid within 20 days after
2 the order becomes final, it constitutes a judgment and may be recorded with
3 the county clerk in any county of this state. The clerk shall thereupon record
4 the name of the person incurring the penalty and the amount of the penalty
5 in the County Clerk Lien Record. The penalty provided in the order so re-
6 corded shall become a lien upon the title to any interest in property owned
7 by the person against whom the order is entered, and execution may be is-
8 sued upon the order in the same manner as execution upon a judgment of a
9 court of record.

10 “(4) Except as provided in subsection (5) of this section, civil penalties
11 collected under ORS 654.001 to 654.295, 654.412 to 654.423 and 654.750 to
12 654.780 shall be paid into the Consumer and Business Services Fund.

13 “(5) Civil penalties assessed under this section for a violation of ORS
14 658.750 shall be credited to the [*Farmworker*] **Agricultural Worker** Housing
15 Development Account of the Oregon Housing Fund.

16 **“SECTION 26.** ORS 658.453 is amended to read:

17 “658.453. (1) In addition to any other penalty provided by law, the Com-
18 missioner of the Bureau of Labor and Industries may assess a civil penalty
19 not to exceed \$2,000 for each violation by:

20 “(a) A labor contractor who, without the license required by ORS 658.405
21 to 658.511, recruits, solicits, supplies or employs a worker.

22 “(b) A labor contractor who fails to comply with ORS 658.415 (16).

23 “(c) A labor contractor who fails to comply with ORS 658.440 (1), (2)(c)
24 or (3).

25 “(d) Any person who violates ORS 658.452.

26 “(e) A labor contractor who fails to comply with ORS 658.417 (1).

27 “(f) Any person who uses an unlicensed labor contractor without com-
28 plying with ORS 658.437.

29 “(2) Civil penalties under this section shall be imposed as provided in
30 ORS 183.745.

1 “(3) All penalties recovered under this section shall be paid into the State
2 Treasury and credited to the [*Farmworker*] **Agricultural Worker** Housing
3 Development Account of the Oregon Housing Fund.

4 “(4) After filing a complaint with the commissioner, in addition to any
5 other penalty provided by law, a worker has a right of action against a labor
6 contractor who violates ORS 658.417 (1) or (2), 658.440 or 658.452 without
7 exhausting any alternative administrative remedies. The action may not be
8 commenced later than two years after the date of the violation giving rise
9 to the right of action. The amount of damages recoverable for each violation
10 under this subsection is actual damages or \$1,000, whichever amount is
11 greater. In any such action the court may award to the prevailing party, in
12 addition to costs and disbursements, reasonable attorney fees at trial and
13 appeal.

14 **“SECTION 27.** ORS 658.815 is amended to read:

15 “658.815. (1) All farmworker camp indorsement fees received by the Com-
16 missioner of the Bureau of Labor and Industries under ORS 658.810 shall be
17 credited to the Bureau of Labor and Industries Account. Notwithstanding
18 ORS 651.160 (1) and 658.413 (4), moneys credited to the account under this
19 subsection are continuously appropriated for the enforcement of ORS 658.705
20 to 658.850.

21 “(2) Moneys collected from civil penalties imposed by the commissioner
22 pursuant to ORS 658.850 for violations of ORS 658.750 shall be credited to
23 the [*Farmworker*] **Agricultural Worker** Housing Development Account of
24 the Oregon Housing Fund.

25 “(3) Except as provided in subsection (2) of this section, all moneys other
26 than fees described in ORS 658.413 received by the commissioner under ORS
27 658.705 to 658.850 shall be credited to the General Fund.

28 **“SECTION 28.** (1) **The amendments to ORS 458.620, 458.660, 654.086,**
29 **658.453 and 658.815 by sections 22 to 27 of this 2021 Act are intended to**
30 **change the name of the ‘Farmworker Housing Development Account’**

1 to the ‘Agricultural Worker Housing Development Account.’

2 “(2) For the purpose of harmonizing and clarifying statutory law,
3 the Legislative Counsel may substitute for words designating the
4 ‘Farmworker Housing Development Account,’ wherever they occur in
5 statutory law, other words designating the ‘Agricultural Worker
6 Housing Development Account.’

7 “SECTION 29. ORS 317.097 is amended to read:

8 “317.097. (1) As used in this section:

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

12 “(b) ‘Bonds’ means a bond, as defined in ORS 286A.001, if issued on
13 behalf of the Housing and Community Services Department, or bonds,
14 as defined in ORS 456.055, if issued by a housing authority.

15 “[*b*] (c) ‘Finance charge’ means the total of all interest, loan fees, in-
16 terest on any loan fees financed by the lending institution, and other charges
17 related to the cost of obtaining credit.

18 “[*c*] (d) ‘Lending institution’ means any insured institution, as that term
19 is defined in ORS 706.008, any mortgage banking company that maintains an
20 office in this state or any community development corporation that is or-
21 ganized under the Oregon Nonprofit Corporation Law.

22 “[*d*] (e) ‘Manufactured dwelling park’ has the meaning given that term
23 in ORS 446.003.

24 “[*e*] (f) ‘Nonprofit corporation’ means a corporation that is exempt from
25 income taxes under section 501(c)(3) or (4) of the Internal Revenue Code as
26 amended and in effect on December 31, 2018.

27 “[*f*] (g) ‘Preservation project’ means housing that was previously devel-
28 oped as affordable housing with a contract for rent assistance from the
29 United States Department of Housing and Urban Development or the United
30 States Department of Agriculture and that is being acquired by a sponsoring

1 entity.

2 “[g] (h) ‘Qualified assignee’ means any investor participating in the
3 secondary market for real estate loans.

4 “[h] (i) ‘Qualified borrower’ means any borrower that is a sponsoring
5 entity that has a controlling interest in the real property that is financed
6 by a qualified loan. A controlling interest includes a controlling interest in
7 the general partner of a limited partnership that owns the real property.

8 “[i] (j) ‘Qualified loan’ means:

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

12 “[B] *The purchase by a lending institution of bonds, as defined in ORS*
13 *286A.001, issued on behalf of the Housing and Community Services Depart-*
14 *ment, the proceeds of which are used to finance or refinance a loan that meets*
15 *the criteria described in subsection (5) of this section.]*

16 **“(B) The purchase by a lending institution of bonds, the proceeds**
17 **of which are used to finance or refinance a loan that meets the criteria**
18 **described in subsection (5) of this section.**

19 “[j] (k) ‘Sponsoring entity’ means a nonprofit corporation, nonprofit
20 cooperative, state governmental entity, local unit of government as defined
21 in ORS 466.706, housing authority or any other person, provided that the
22 person has agreed to restrictive covenants imposed by a nonprofit corpo-
23 ration, nonprofit cooperative, state governmental entity, local unit of gov-
24 ernment or housing authority.

25 “(2) The Department of Revenue shall allow a credit against taxes other-
26 wise due under this chapter for the tax year to a lending institution that
27 makes a qualified loan certified by the Housing and Community Services
28 Department as provided in subsection (7) of this section. The amount of the
29 credit is equal to the difference between:

30 “(a) The amount of finance charge charged by the lending institution

1 during the tax year at an annual rate less than the market rate for a quali-
2 fied loan that is made before January 1, 2026, that complies with the re-
3 quirements of this section; and

4 “(b) The amount of finance charge that would have been charged during
5 the tax year by the lending institution for the qualified loan for housing
6 construction, development, acquisition or rehabilitation measured at the an-
7 nual rate charged by the lending institution for nonsubsidized loans made
8 under like terms and conditions at the time the qualified loan for housing
9 construction, development, acquisition or rehabilitation is made.

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

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

25 “[*(5) To be eligible for the tax credit allowable under this section, a lending*
26 *institution must make a qualified loan by either purchasing bonds, as defined*
27 *in ORS 286A.001, issued on behalf of the Housing and Community Services*
28 *Department, the proceeds of which are used to finance or refinance a loan that*
29 *meets the criteria stated in this subsection, or by making a loan directly to:]*

30 “**(5) To be eligible for the tax credit allowable under this section, a**

1 **lending institution must make a qualified loan by either purchasing**
2 **bonds, the proceeds of which are used to finance or refinance a loan**
3 **that meets the criteria stated in this subsection, or making a loan di-**
4 **rectly to:**

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

9 “(b) A qualified borrower who:

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

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

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

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

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

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

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

27 “(d) A qualified borrower who:

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

30 “(B) Provides a written certification executed by the Housing and Com-

1 munity Services Department that the housing preserved by the loan:

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

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

8 **“(e) A qualified borrower who:**

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

11 **“(B) Provides a written certification executed by the Housing and
12 Community Services Department or the governmental party to the
13 rent assistance contract that the housing preserved by the loan:**

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

16 **“(ii) Is the subject of a rent assistance contract with the federal
17 government or with a state or local government that will be main-
18 tained by the qualified borrower and that limits a tenant’s rent to no
19 more than 30 percent of their income.**

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

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

26 “[a] *Specifies the period, not to exceed 20 years, as determined by the
27 Housing and Community Services Department, during which the tax credit is
28 allowed for the qualified loan; and]*

29 “[b] *States that the qualified loan is within the limitation imposed by
30 subsection (8) of this section.]*

1 “(a) States that the qualified loan is within the limitation imposed
2 by subsection (8) of this section; and

3 “(b) Specifies the period, as determined by the Housing and Com-
4 munity Services Department, during which the tax credit is allowed
5 for the qualified loan, not to exceed:

6 “(A) 30 years, for a qualified loan with a contract for rent assistance
7 or financing resources from the United States Department of Agri-
8 culture, for new housing construction, acquisition of housing or a
9 preservation project; or

10 “(B) 20 years, for any other type of qualified loan.

11 “(8) The Housing and Community Services Department may certify quali-
12 fied loans that are eligible under subsection (5) of this section if the total
13 credits attributable to all qualified loans eligible for credits under this sec-
14 tion and then outstanding do not exceed [*\$25 million*] **\$35 million** for any
15 fiscal year. In making loan certifications under subsection (7) of this section,
16 the Housing and Community Services Department shall attempt to distribute
17 the tax credits statewide, but shall concentrate the tax credits in those areas
18 of the state that are determined by the Oregon Housing Stability Council to
19 have the greatest need for affordable housing.

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

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

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

27 “(10) For a qualified loan defined in subsection [(1)(i)(B)] **(1)(j)(B)** of this
28 section financed through the purchase of bonds, the interest of which is ex-
29 empt from federal taxation under section 103 of the Internal Revenue Code,
30 the amount of finance charge that would have been charged under subsection

1 (2)(b) of this section is determined by reference to the finance charge that
2 would have been charged if the federally tax exempt bonds had been issued
3 and the tax credit under this section did not apply.

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

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

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

22 “(14) Notwithstanding subsection [(1)(h) and (j)] **(1)(i) and (k)** of this
23 section, a qualified borrower on a loan to finance the construction, develop-
24 ment, acquisition or rehabilitation of a manufactured dwelling park under
25 subsection (5)(c) of this section must be:

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

29 “(b) A nonprofit corporation or housing authority that has a controlling
30 interest in the real property that is financed by a qualified loan. A control-

1 ling interest includes a controlling interest in the general partner of a lim-
2 ited partnership that owns the real property.

3 “(15) The Department of Revenue may require that a lending institution
4 that has earned the credit and a lending institution that intends to claim the
5 credit jointly file a notice, as prescribed by the Department of Revenue. The
6 notice must comply with ORS 315.056 (2) or 315.058 (2).

7 “(16) The Housing and Community Services Department shall provide in-
8 formation to the Department of Revenue about all certifications executed
9 under this section, if required by ORS 315.058.

10 “(17) The Housing and Community Services Department and the Depart-
11 ment of Revenue may adopt rules to carry out the provisions of this section.

12 **“SECTION 30. The amendments to ORS 317.097 by section 29 of this**
13 **2021 Act apply to tax years beginning on or after January 1, 2022, and**
14 **before January 1, 2026.**

15 **“SECTION 31. ORS 315.514 is amended to read:**

16 “315.514. (1) A credit against the taxes that are otherwise due under ORS
17 chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317 or
18 318, is allowed to a taxpayer for certified film production development con-
19 tributions made by the taxpayer during the tax year to the Oregon Pro-
20 duction Investment Fund established under ORS 284.367.

21 “(2)(a) The Department of Revenue shall, in cooperation with the Oregon
22 Film and Video Office, conduct an auction of tax credits under this section.
23 The auction may be conducted no later than April 15 following December 31
24 of any tax year for which the credit is allowed. The department may conduct
25 the auction in the manner that it determines is best suited to maximize the
26 return to the state on the sale of tax credit certifications and shall announce
27 a reserve bid prior to conducting the auction. The reserve amount shall be
28 at least 90 percent of the total amount of the tax credit. Moneys necessary
29 to reimburse the department for the actual costs incurred by the department
30 in administering an auction, not to exceed 0.25 percent of auction proceeds,

1 are continuously appropriated to the department. The department shall de-
2 posit net receipts from the auction required under this section in the Oregon
3 Production Investment Fund.

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

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

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

11 “(C) Provide the necessary financial incentives for taxpayers to make
12 contributions, taking into consideration the impact of granting a credit upon
13 a taxpayer’s federal income tax liability.

14 “(3) Contributions made under this section shall be deposited in the
15 Oregon Production Investment Fund.

16 “(4)(a) Upon receipt of a contribution, the Oregon Film and Video Office
17 shall, except as provided in ORS 315.516, issue to the taxpayer written cer-
18 tification of the amount certified for tax credit under this section to the
19 extent the amount certified for tax credit, when added to all amounts previ-
20 ously certified for tax credit under this section, does not exceed [*\$14*
21 *million*] **\$20 million** for the fiscal year in which certification is made.

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

26 “(5) To the extent the Oregon Film and Video Office does not certify
27 contributed amounts as eligible for a tax credit under this section, the tax-
28 payer may request a refund of the amount the taxpayer contributed, and the
29 office shall refund that amount.

30 “(6)(a) Except as provided in paragraph (b) of this subsection, a tax credit

1 claimed under this section may not exceed the tax liability of the taxpayer
2 and may not be carried over to another tax year.

3 “(b) Any tax credit otherwise allowable under this section that is not used
4 by the taxpayer in a particular tax year may be carried forward and offset
5 against the taxpayer’s tax liability for the next succeeding tax year. Any
6 credit remaining unused in the next succeeding tax year may be carried
7 forward and used in the second succeeding tax year, and likewise, any credit
8 not used in that second succeeding tax year may be carried forward and used
9 in the third succeeding tax year but may not be carried forward for any tax
10 year thereafter.

11 “(c) A taxpayer is not eligible for a tax credit under this section if the
12 first tax year for which the credit would otherwise be allowed begins on or
13 after January 1, [2024] **2030**.

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

17 “(8) If the amount of contribution for which a tax credit certification is
18 made is allowed as a deduction for federal tax purposes, the amount of the
19 contribution shall be added to federal taxable income for Oregon tax pur-
20 poses.

21 **“SECTION 32. The amendments to ORS 315.514 by section 31 of this**
22 **2021 Act apply to fiscal years beginning on or after July 1, 2021.**

23 **“SECTION 33.** Section 1a, chapter 559, Oregon Laws 2005, as amended
24 by section 16, chapter 730, Oregon Laws 2011, and section 2, chapter 38,
25 Oregon Laws 2017, is amended to read:

26 **“Sec. 1a.** The Oregon Film and Video Office may not issue a qualifying
27 film production labor rebate certificate under section 1, chapter 559, Oregon
28 Laws 2005, on or after January 1, [2024] **2030**.

29 **“SECTION 34.** Section 77, chapter 736, Oregon Laws 2003, as amended
30 by section 1, chapter 913, Oregon Laws 2009, section 17, chapter 730, Oregon

1 Laws 2011, and section 42, chapter 701, Oregon Laws 2015, is amended to
2 read:

3 **“Sec. 77.** ORS 315.514 applies to tax years beginning on or after January
4 1, 2005, and before January 1, [2024] **2030**, and to tax credit certifications
5 issued by the Oregon Film and Video Office on or after July 1, 2005.

6 **“SECTION 35.** Section 36 of this 2021 Act is added to and made a
7 part of ORS chapter 316.

8 **“SECTION 36.** (1) There shall be subtracted from federal taxable
9 income amounts received as a national service educational award un-
10 der 42 U.S.C. 12602, following completion of the required term of ser-
11 vice in 42 U.S.C. 12593(b).

12 **“(2)** A subtraction may not be allowed under this section if the
13 amounts described in subsection (1) of this section:

14 **“(a)** Are not included in the taxpayer’s federal gross income for the
15 tax year; or

16 **“(b)** Are taken into account as a deduction on the taxpayer’s federal
17 income tax return for the tax year.

18 **“SECTION 37.** Section 36 of this 2021 Act applies to amounts re-
19 ceived in tax years beginning on or after January 1, 2021, and before
20 January 1, 2027.

21 **“NOTE:** Sections 38 through 43 were deleted by amendment. Subsequent
22 sections were not renumbered.

23 **“SECTION 44.** ORS 475B.707 applies to retail sales of marijuana
24 items occurring on or after January 1, 2016, and before January 1, 2028.

25 **“SECTION 45.** ORS 320.308 is amended to read:

26 **“320.308.** The following are exempt from the state transient lodging tax:

27 **“(1)** A dwelling unit in a hospital, health care facility, long term care
28 facility or any other residential facility that is licensed, registered or certi-
29 fied by the Department of Human Services or the Oregon Health Authority.

30 **“(2)** A dwelling unit in a facility providing treatment for drug or alcohol

1 abuse or providing mental health treatment.

2 “(3) A dwelling unit that is used by members of the general public for
3 temporary human occupancy for fewer than 30 days per year. The exemption
4 granted under this subsection does not apply to a dwelling unit that is rented
5 out as transient lodging using a platform of any kind provided in any manner
6 by a transient lodging intermediary.

7 “(4) A dwelling unit, the consideration for which is funded through a
8 contract with a government agency and the purpose of which is to provide
9 emergency or temporary shelter.

10 “(5) A dwelling unit at a nonprofit youth or church camp, nonprofit con-
11 ference center or other nonprofit facility.

12 “(6) A dwelling unit that is leased or otherwise occupied by the same
13 person for a consecutive period of 30 days or more during the year. The re-
14 quirements of this subsection are satisfied even if the physical dwelling unit
15 changes during the consecutive period, if:

16 “(a) All dwelling units occupied are within the same facility; and

17 “(b) The person paying consideration for the transient lodging is the same
18 person throughout the consecutive period.

19 “(7) **Barracks, quarters or other facilities or space located on in-**
20 **stallations owned, operated or controlled by the Oregon Military De-**
21 **partment that are used for temporary overnight human occupancy by:**

22 “(a) **Active or retired members or service veterans of the Armed**
23 **Forces of the United States or the National Guard or other reserve**
24 **component of the Armed Forces of the United States; or**

25 “(b) **Employees or agents of the Oregon Military Department.**

26 “**SECTION 46. Section 47 of this 2021 Act is added to and made a**
27 **part of ORS 320.300 to 320.365.**

28 “**SECTION 47. Barracks, quarters or other facilities or space located**
29 **on installations owned, operated or controlled by the Oregon Military**
30 **Department are exempt from any local transient lodging tax if the**

1 facilities or space are used for temporary overnight human occupancy
2 by:

3 “(1) Active or retired members or service veterans of the Armed
4 Forces of the United States or the National Guard or other reserve
5 component of the Armed Forces of the United States; or

6 “(2) Employees or agents of the department.

7 “SECTION 48. Section 47 of this 2021 Act and the amendments to
8 ORS 320.308 by section 45 of this 2021 Act apply to occupancy described
9 in ORS 320.308 (7) and section 47 of this 2021 Act that occurs before,
10 on or after the effective date of this 2021 Act.

11 “SECTION 49. ORS 315.266 is amended to read:

12 “315.266. (1)(a) In addition to any other credit available for purposes of
13 ORS chapter 316, an eligible resident individual shall be allowed a credit
14 against the tax otherwise due under ORS chapter 316 for the tax year in an
15 amount equal to nine percent of the earned income credit allowable to the
16 individual for the same tax year under section 32 of the Internal Revenue
17 Code.

18 “(b) Notwithstanding paragraph (a) of this subsection, for a taxpayer with
19 a dependent under the age of three at the close of the tax year, the credit
20 allowed under this section shall be in an amount equal to 12 percent of the
21 earned income credit allowable to the individual for the same tax year under
22 section 32 of the Internal Revenue Code.

23 “(2) A resident individual may claim a credit under this section,
24 using either a Social Security number or an individual taxpayer iden-
25 tification number, if, but for section 32(m) of the Internal Revenue
26 Code, the individual would otherwise be eligible to claim a credit under
27 section 32 of the Internal Revenue Code. The credit allowed as pro-
28 vided in this subsection shall equal the percentage, as stated in sub-
29 section (1) of this section, of the amount that would be allowed on a
30 federal return, based on the amount of the individual’s earned income

1 **and the other provisions of section 32 of the Internal Revenue Code.**

2 “[2] (3) An eligible nonresident individual shall be allowed the credit
3 computed in the same manner and subject to the same limitations as the
4 credit allowed a resident by subsection (1) **or (2)** of this section. However,
5 the credit shall be prorated using the proportion provided in ORS 316.117.

6 “[3] (4) If a change in the taxable year of a taxpayer occurs as described
7 in ORS 314.085, or if the Department of Revenue terminates the taxpayer’s
8 taxable year under ORS 314.440, the credit allowed by this section shall be
9 prorated or computed in a manner consistent with ORS 314.085.

10 “[4] (5) If a change in the status of a taxpayer from resident to nonres-
11 ident or from nonresident to resident occurs, the credit allowed by this sec-
12 tion shall be determined in a manner consistent with ORS 316.117.

13 “[5] (6) If the amount allowable as a credit under this section, when
14 added to the sum of the amounts allowable as payment of tax under ORS
15 316.187 or 316.583, other tax prepayment amounts and other refundable credit
16 amounts, exceeds the taxes imposed by ORS chapters 314 and 316 for the tax
17 year after application of any nonrefundable credits allowable for purposes
18 of ORS chapter 316 for the tax year, the amount of the excess shall be re-
19 funded to the taxpayer as provided in ORS 316.502.

20 “[6] (7) The Department of Revenue may adopt rules for purposes of this
21 section, including but not limited to rules relating to proof of eligibility
22 [and], the furnishing of information regarding the federal earned income
23 credit claimed by the taxpayer for the tax year **and policies and guidelines**
24 **for the determination of the amount of credit allowed under sub-**
25 **section (2) of this section.**

26 “[7] (8) Refunds attributable to the earned income credit allowed under
27 this section do not bear interest.

28 **“SECTION 50. The amendments to ORS 315.266 by section 49 of this**
29 **2021 Act apply to tax years beginning on or after January 1, 2022, and**
30 **before January 1, 2026.**

1 **“SECTION 51. This 2021 Act takes effect on the 91st day after the**
2 **date on which the 2021 regular session of the Eighty-first Legislative**
3 **Assembly adjourns sine die.”.**

4
