



January 11<sup>th</sup>, 2024

# Legislative Revenue Office

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## Section Contents – LC 169

Section	Tax	Description
<b>2023 Legislation Follow-Up</b>		
1	Property tax	<u>Middle-Housing Property Tax Exemption</u> Makes exemption amount proportional to percent of constructed/converted property’s square footage meeting requirements.
2	Income (PIT/Corp)	<u>Short-Line Railroad Tax Credit</u> Aligns applicability of tax credit policy changes made in HB 3406 (2023) with underlying sunset of tax credit as extended by HB 2071 (2023), which extended credit applicability through tax year 2029.
3-4	Property tax	<u>Collection of Property Taxes</u> Cancels outstanding, uncollectible, property taxes for port district property held by federal government under a leasehold interest.
5, 9	PTE-ET	<u>Pass Through Entity Elective Tax (Federal SALT deduction limit workaround)</u> Aligns applicability of PTE-ET changes made by SB 1524 (2022), with underlying sunset extension of PTE-ET program which was extended through tax year 2025 by HB 2083 (2023).  Section 9: Expands PTE-ET program by allowing trusts to be members of a pass-through entity electing to be liable for PTE-ET. Applies to tax years 2024 and 2025.
6-8	Income (PIT/Corp)	<u>Retention of Publicly Supported Housing Tax Credit</u> Adds applicability clause to tax credit created by HB 2071 (2023). Specifies tax credit is applicable for tax years 2024 through 2029. Clarifies sharing of credit certification information.
<b>Policy Changes</b>		
9	PTE-ET	See section 5 description.
10	Income (PIT)	<u>Industrial Site Readiness Program</u> Extends sunset of initial program qualification by three years. Moves sunset from July 1, 2023, to July 1, 2026.

<b>Property Tax Changes</b>		
<b>11</b>	Property tax	<u>Cemetery Land Acquired by Charitable Institution Property Tax Exemption</u> Repeals expired exemption.
<b>12-13</b>	Property tax	<u>Deferral of Special Assessments for Local Improvements</u> Repeals expired deferral. Maintains ability to collect on remaining accounts.
<b>14</b>	Property tax	<u>Affordable Housing Covenant Property Tax Exemption</u> Changes “permanent” to “long-term” for defining period of at least 99 years.
<b>15</b>	Property tax	<u>Low-Income Multi-Unit Rental Housing Property Tax Exemption</u> Corrects grammar regarding whether contract was breached or terminated prematurely.
<b>16</b>	Property tax	<u>Assessment of Industrial Plants</u> Adds to and makes a part of ORS 308.408-308.413
<b>17-18</b>	Property tax	<u>Homestead Property Tax Deferral</u> Clarifies, regarding penalties, that punishment for crime of false swearing is provided by ORS 162.075, not ORS 162.085.
<b>19</b>	Property tax	<u>Certain Single-Unit Housing Property Tax Exemption</u> Incorporates 197.307(8)(a)-(f) (2021 Edition) into 307.651 and removes cross-reference to back issue of ORS.
<b>20</b>	Property tax	<u>Certain Single-Unit Housing Property Tax Exemption</u> Conforms to changes in section 19 by updating the statute number that provides the construction completion deadline.
<b>21</b>	Property Tax	<u>Deferral of Special Assessments for Local Improvements</u> Conforms to changes in sections 12-13 by deleting reference to the option to request release of lien on real property.
<b>22</b>	Property Tax	<u>Deferral of Special Assessments for Local Improvements</u> Conforms to changes in sections 12-13 by deleting references to revolving account.
<b>23</b>	Property tax	<u>Deferral of Special Assessments for Local Improvements</u> Conforms to changes in sections 12-13, regarding cancellation of delinquent taxes, by deleting references to repealed deferral.
<b>24-25</b>	Property tax	<u>Special Determinations of Value</u>

		Discontinues certain cities’ temporary definition of the “area” as the city, per written consent of the assessor, unless the governing body readopts that definition under ORS 308.151 within 90 days following effective date.
<b>Administrative Changes</b>		
<b>26</b>	CAT	<u>Replace Specific CAT exemptions with General Exemption</u> Add language to Corporate Activity Tax statutes generally exempting taxes or collected by businesses for government purposes from the imposition of the CAT. Remove multiple specific references to taxes that are excluded in cases where the general exclusion makes them redundant.
<b>27</b>	Kicker	<u>Administration of Non-Corporate “Kicker”</u> When applicable, Oregon law requires the Office of Economic Analysis (OEA) to notify the Department of Revenue (DOR) that a kicker has been triggered by October 1 of the odd year; then DOR must notify the public by October 15 <sup>th</sup> . This language moves the deadlines to November 1 <sup>st</sup> and 15 <sup>th</sup> , respectively.
<b>28</b>	CAT	<u>Make Office of Economic Analysis responsible for CAT transfer to SSF</u> Officially make DAS Office of Economic Analysis responsible for determining amount of CAT revenue to transfer to State School Fund. Currently statutes state LFO and LRO make the determination, although the amount is updated with OEA’s quarterly forecast.