

**HB 2685 STAFF MEASURE SUMMARY**

**House Committee On Agriculture, Land Use, Natural Resources, and Water**

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**Sub-Referral To:** House Committee On Revenue

**Meeting Dates:** 2/7

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**WHAT THE MEASURE DOES:**

Reinstates availability of tax credit for processing or collecting biomass. Applies to tax years on or after January 1, 2024 and before January 1, 2030. Removes certain animal rendering products, certain food wastes, and wastewater solids from the definition of 'biomass,' and removes definition of 'oilseed processor' for purposes of the tax credit. Changes the credit rate for all biomass types to \$10 per bone dry ton. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Biomass energy, or bioenergy, is energy from plants or plant-derived material. While Oregon has some dedicated biomass energy crops, most biomass resources are secondary product such as lumber mill residue, logging slash, and agricultural field residue. Oregon has 17 biomass power facilities, primarily in the wood products industry, which typically generate less than 50 megawatts. In the context of the biomass tax credit, the biomass must originate and be converted to biofuel within Oregon. The Oregon Department of Energy's biomass Collector or Producer Tax credit program ended at the end of the 2017 tax year.

House Bill 2685 would reinstate a tax credit for processing or collecting biomass and changes the definition of eligible biomass and credit rate for the purposes of the tax credit.