

Oregon Agriculture Workforce Housing Tax Credit

Joint Committee on Tax Expenditures

3/10/2023

Oregon Legislative Revenue Office



Purpose of Credit

- Not specifically in statute
- 1989 implementing legislation (part of a package of policies)
 - “it is the policy of this state to insure adequate agricultural labor accommodations commensurate with the housing needs of Oregon’s workers that meet decent health, safety and welfare standards (ORS 197.677)”
- LRO summary of purpose
 - “To provide support for the construction or rehabilitation of agriculture workforce housing thereby supporting the goal of ensuring adequate agricultural labor housing through a collaboration of the public, private, and nonprofit sectors”





How the Tax Credit Works

- Credit available to corporate or personal income taxpayers that are owner or operator of agriculture workforce housing
- Credit = 50% of eligible costs to complete agriculture workforce housing project
- Eligible housing projects: construction, rehabilitation or acquisition of agriculture workforce housing
- Eligible costs: Acquisition, finance, construction, excavation, installation & permits
- Limited to occupancy by agricultural workers & immediate family (includes retired and/or disabled ag. workers)
- Credit taken over 10 years, may take up to 20% of credit value in any one year
- Credit is transferable, 9-year carryforward
- Sunsets 1/1/2026 | Proposed extension to 1/1/2030





Credit Certification & Requirements

- Certification required by Housing & Community Services Department
- HCSD may certify a credit application if potential credits for all approved applications do not exceed \$16.75 million within biennium
 - Cap was increased in 2021 from \$3.625 million per year
- Housing Requirements
 - Occupied by agriculture workers
 - Comply with occupational safety or health laws, rules, regulations, standards
 - Operated as ag. workforce housing for at least 10 years (unless waiver granted by OHCS)
 - Rehabilitation projects must restore housing to building code requirements
 - Housing must be registered, if required, as agriculture workforce camp with OSHA

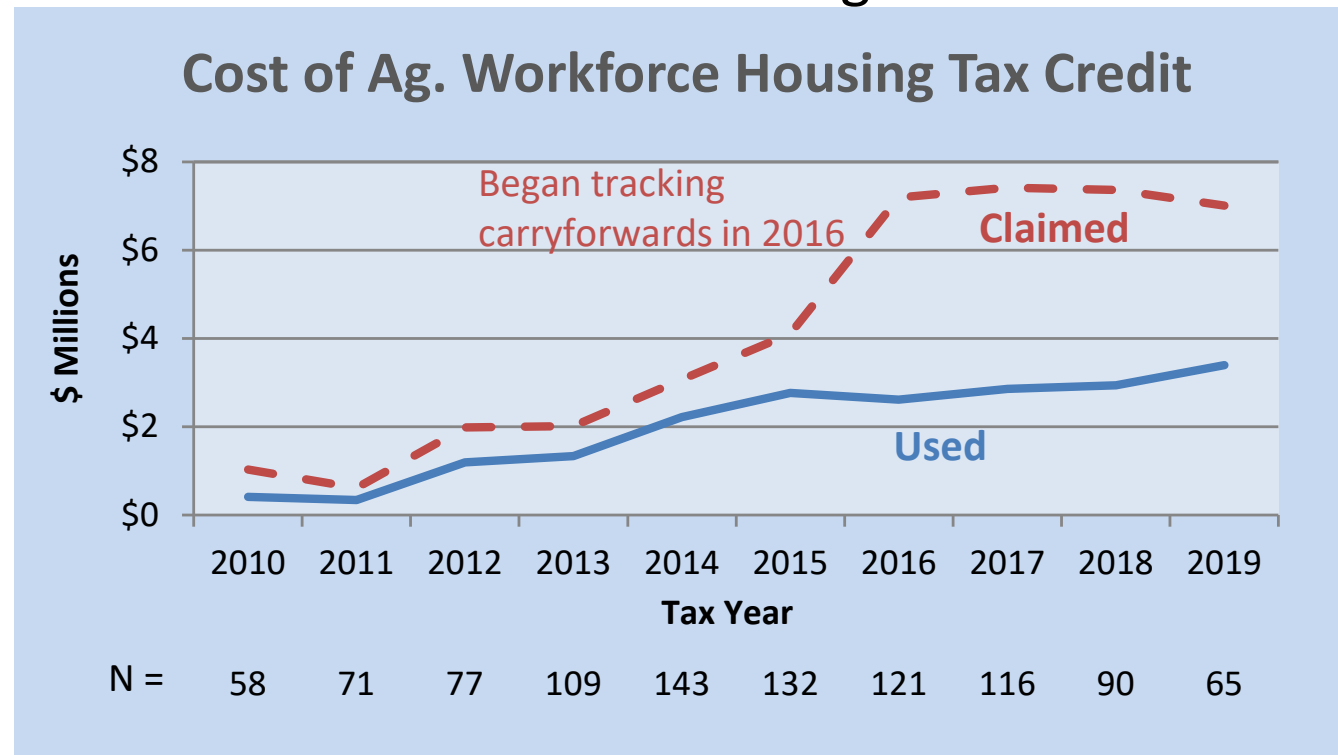




Ag. Workforce Housing Tax Credit

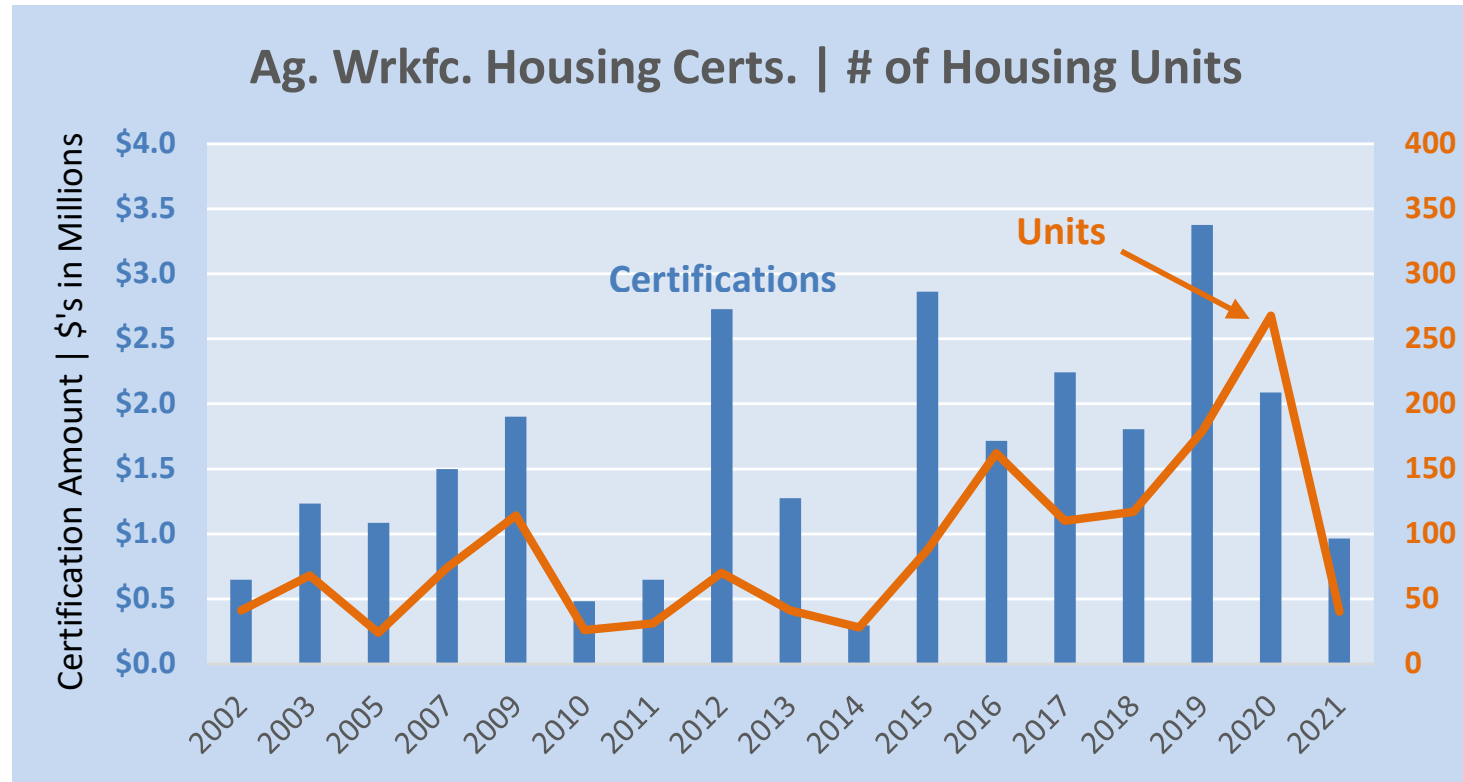
Type of Housing

- 80% of credit is dedicated to community-based housing
- 20% of credit dedicated to on-farm housing





Number of Projects & Units



Source: OHCS public file retrieved from <https://www.oregon.gov/ohcs/development/Pages/applicants-developments.aspx>





Related Direct Spending

<i>Direct Spending Program</i>	2021-23 Legislatively Adopted Budget (\$M)		
	<i>General Fund</i>	<i>Other Funds</i>	<i>Federal Funds</i>
Land and Property Acquisition	\$40.0		
Smaller/Rural Affordable Housing Projects	\$35.0		
Document Recording Fee ¹		\$54.0	
Public Purpose Charge Funds		\$19.7	
Program Fee Funds		\$13.1	
Home Investment Partnership Program			\$24.0
Affordable Rental Housing			\$13.2
Affordable & Supportive Housing Units ²		\$410.0	
Federal Low Income Housing Tax Credits			\$95.0

¹ Fee supports multi-family affordable housing construction, raises approximately \$27M per year

² Article XI-Q general obligation bond proceeds for Local Innovation & Fast Track (LIFT) and Permanent Supportive Housing Programs





Cost to Extend Credit

- Timing of revenue impact extension

Measure Description:

Extends sunset of agriculture workforce housing construction tax credit from 1/1/2026 to 1/1/2030.

Revenue Impact (in \$Millions):

	Biennium		
	2023-25	2025-27	2027-29
General Fund	\$0.0	-\$0.8	-\$4.2



Legislative Revenue Office

<https://www.oregonlegislature.gov/lro>

503-986-1266

[2023 Tax Credit Report](#)

State of Oregon

LEGISLATIVE REVENUE OFFICE

