

## HB 3004 A STAFF MEASURE SUMMARY

### House Committee On Climate, Energy, and Environment

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**Action Date:** 03/29/23

**Action:** Without recommendation as to passage, with amendments, and be referred to Tax Expenditures, then to Ways and Means. (Printed A-Eng.)

**Vote:** 10-0-0-0

**Yeas:** 10 - Andersen, Helm, Kropf, Levy B, Levy E, Marsh, Osborne, Owens, Pham K, Wallan

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

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**Meeting Dates:** 3/15, 3/29

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#### WHAT THE MEASURE DOES:

Creates a personal income tax credit or corporate excise or income tax credits in tax year beginning on or after January 1, 2025 for the owner of an eligible generation facility. Establishes eligibility criteria for tax credit. Defines “eligible generation facility” as a facility sited in Oregon that (1) generates only non-emitting electricity from solar or wind energy or provides energy storage, (2) is first placed in service on or after January 1, 2025 and before January 1, 2031, and (3) is covered by an interconnection agreement, entered into on or after January 1, 2024, with the Bonneville Power Administration or an electric utility. Specifies eligible facility ownership requirements.

#### ISSUES DISCUSSED:

- Potential economic benefits of decarbonizing electric grid
- Location of renewable energy facilities
- Incentives for construction of clean energy infrastructure

#### EFFECT OF AMENDMENT:

Replaces the measure.

#### BACKGROUND:

Energy planning efforts in Oregon focus first on conservation and increased efficiency to meet extra consumer demand, and then on increased generation from local renewable and traditional sources. The Oregon Department of Energy reports that hydro power has been the largest primary source of energy in the state since 2010. The amount of solar and wind power has been growing in the past decade.

According to the Oregon Department of Revenue, corporations doing business in Oregon must file one of two corporate tax returns: an excise tax return if they do business in Oregon, or an income tax return if not doing business in Oregon, but they have income from an Oregon source. Corporations can use tax credits to reduce its Oregon tax liability.

House Bill 3004 A creates a personal income tax credit or corporate excise or income tax credits for the owner of an eligible facility sited in Oregon that generates only non-emitting electricity from solar or wind energy or provides energy storage and meets other eligibility requirements.