

# Senate Bill 50

Sponsored by Senator FINDLEY (at the request of Representative Kevin Mannix) (Pre-session filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates tax credit for contributions to youth activity organizations.  
Applies to tax years beginning on or after January 1, 2024, and before January 1, 2030.  
Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to youth activities; creating new provisions; amending ORS 314.772 and 318.031; and pre-  
3 scribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2023 Act is added to and made a part of ORS chapter 315.**

6 **SECTION 2. (1) As used in this section:**

7 (a) "Youth activity" includes organized youth sports programs that comprise a league or  
8 groups of sports teams, are offered outside of school hours and have participants from ages  
9 four through 21 years of age.

10 (b) "Youth activity organization" means a public or private organization that:

11 (A) Offers opportunities for participation in youth activities;

12 (B) Receives donations from taxpayers;

13 (C) Spends at least 90 percent of its donations directly on providing youth activities to  
14 children through the purchase of uniforms, equipment and transportation and by funding  
15 coaching and officiating;

16 (D) Spends all interest and proceeds from investments on providing youth activities; and

17 (E) Is operated by a governmental entity or is recognized as tax exempt under section  
18 501(c)(3) of the Internal Revenue Code.

19 (2) A credit against the taxes otherwise due under ORS chapter 316, or, if the taxpayer  
20 is a corporation, under ORS chapter 317 or 318, shall be allowed for contributions made to a  
21 youth activity organization during the tax year. The credit allowed under this subsection  
22 shall equal the least of:

23 (a) The total contributions made by the taxpayer to youth activity organizations;

24 (b) \$3,000, if claimed on a return filed under ORS chapter 317 or 318;

25 (c) \$2,000, if claimed on a joint return; or

26 (d) \$1,000, if claimed by a personal income taxpayer filing any other type of return.

27 (3) The credit allowed under this section in any one tax year may not exceed the tax li-  
28 ability of the taxpayer.

29 (4) Any tax credit otherwise allowable under this section that is not used by the taxpayer  
30 in a particular year may be carried forward and offset against the taxpayer's tax liability for  
31 the next succeeding tax year. Any credit remaining unused in the next succeeding tax year

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.  
New sections are in **boldfaced** type.

1 **may be carried forward and used in the second succeeding tax year, and likewise, any credit**  
2 **not used in that second succeeding tax year may be carried forward and used in the third**  
3 **succeeding tax year, but may not be carried forward for any tax year thereafter.**

4 **(5) If a change in the taxable year of the taxpayer occurs as described in ORS 314.085,**  
5 **or if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440,**  
6 **the credit allowed under this section shall be prorated or computed in a manner consistent**  
7 **with ORS 314.085.**

8 **SECTION 3.** ORS 314.772, as amended by section 11, chapter 34, Oregon Laws 2022, and section  
9 15, chapter 115, Oregon Laws 2022, is amended to read:

10 314.772. (1) Except as provided in ORS 314.766 (5)(b), the tax credits allowed or allowable to a  
11 C corporation for purposes of ORS chapter 317 or 318 shall not be allowed to an S corporation. The  
12 business tax credits allowed or allowable for purposes of ORS chapter 316 shall be allowed or are  
13 allowable to the shareholders of the S corporation.

14 (2) In determining the tax imposed under ORS chapter 316, as provided under ORS 314.763, on  
15 income of the shareholder of an S corporation, there shall be taken into account the shareholder's  
16 pro rata share of business tax credit (or item thereof) that would be allowed to the corporation (but  
17 for subsection (1) of this section) or recapture or recovery thereof. The credit (or item thereof), re-  
18 capture or recovery shall be passed through to shareholders in pro rata shares as determined in the  
19 manner prescribed under section 1377(a) of the Internal Revenue Code.

20 (3) The character of any item included in a shareholder's pro rata share under subsection (2)  
21 of this section shall be determined as if such item were realized directly from the source from which  
22 realized by the corporation, or incurred in the same manner as incurred by the corporation.

23 (4) If the shareholder is a nonresident and there is a requirement applicable for the business tax  
24 credit that in the case of a nonresident the credit be allowed in the proportion provided in ORS  
25 316.117, then that provision shall apply to the nonresident shareholder.

26 (5) As used in this section, "business tax credit" means the following credits: ORS 315.104  
27 (forestation and reforestation), ORS 315.138 (fish screening, by-pass devices, fishways), ORS 315.141  
28 (biomass production for biofuel), ORS 315.156 (crop gleanings), ORS 315.164 and 315.169 (agriculture  
29 workforce housing), ORS 315.176 (bovine manure), ORS 315.204 (dependent care assistance), ORS  
30 315.208 (dependent care facilities), ORS 315.213 (contributions for child care), ORS 315.237 (employee  
31 and dependent scholarships), ORS 315.271 (individual development accounts), ORS 315.304 (pollution  
32 control facility), ORS 315.326 (renewable energy development contributions), ORS 315.331 (energy  
33 conservation projects), ORS 315.336 (transportation projects), ORS 315.341 (renewable energy re-  
34 source equipment manufacturing facilities), ORS 315.354 and 469B.151 (energy conservation facili-  
35 ties), ORS 315.506 (tribal taxes on reservation enterprise zones and reservation partnership zones),  
36 ORS 315.507 (electronic commerce), ORS 315.514 (film production development contributions), ORS  
37 315.523 (employee training programs), ORS 315.533 (low income community jobs initiative), ORS  
38 315.593 (short line railroads), ORS 315.640 (university venture development funds), ORS 315.643  
39 (Opportunity Grant Fund contributions), ORS 315.675 (Trust for Cultural Development Account  
40 contributions), ORS 317.097 (loans for affordable housing), ORS 317.124 (long term enterprise zone  
41 facilities), ORS 317.147 (loans for agriculture workforce housing), ORS 317.152 (qualified research  
42 expenses) and ORS 317.154 (alternative qualified research expenses) and section 9, chapter 774,  
43 Oregon Laws 2013 (alternative fuel vehicle contributions), section 2, chapter 34, Oregon Laws 2022  
44 (small forest option), and section 8, chapter 115, Oregon Laws 2022 (agricultural overtime pay), **and**  
45 **section 2 of this 2023 Act (contributions for youth activities).**

1       **SECTION 4.** ORS 318.031, as amended by section 12, chapter 34, Oregon Laws 2022, and section  
2 16, chapter 115, Oregon Laws 2022, is amended to read:

3       318.031. It being the intention of the Legislative Assembly that this chapter and ORS chapter  
4 317 shall be administered as uniformly as possible (allowance being made for the difference in im-  
5 position of the taxes), ORS 305.140 and 305.150, ORS chapter 314 and the following sections are in-  
6 corporated into and made a part of this chapter: ORS 315.104, 315.141, 315.156, 315.176, 315.204,  
7 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.506, 315.507, 315.523, 315.533, 315.593 and  
8 315.643 and section 2, chapter 34, Oregon Laws 2022, and section 8, chapter 115, Oregon Laws 2022,  
9 **and section 2 of this 2023 Act** (all only to the extent applicable to a corporation) and ORS chapter  
10 317.

11       **SECTION 5.** **Section 2 of this 2023 Act applies to tax years beginning on or after January**  
12 **1, 2024, and before January 1, 2030.**

13       **SECTION 6.** **This 2023 Act takes effect on the 91st day after the date on which the 2023**  
14 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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