

A-Engrossed House Bill 2087

Ordered by the House June 25
Including House Amendments dated June 25

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue for Representative Nancy Nathanson)

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act makes changes to tax credits. (Flesch Readability Score: 90.9).

[Digest: The Act tells the LRO to study the personal income tax system. (Flesch Readability Score: 74.8).]

[Requires the Legislative Revenue Officer to study the personal income tax system. Directs the Legislative Revenue Officer to submit findings to the interim committees of the Legislative Assembly related to revenue not later than December 1, 2026.]

Extends sunsets for certain tax credits and exemptions. Increases allowed amounts and statewide caps and otherwise modifies certain tax credits and exemptions.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to revenue; creating new provisions; amending ORS 315.156, 315.271, 315.514, 315.622,
3 316.798 and 317.097 and sections 7 and 10, chapter 826, Oregon Laws 2005, section 66, chapter
4 832, Oregon Laws 2005, section 9, chapter 765, Oregon Laws 2007, section 6, chapter 880,
5 Oregon Laws 2007, section 18, chapter 906, Oregon Laws 2007, sections 5 and 36, chapter 913,
6 Oregon Laws 2009, section 9, chapter 109, Oregon Laws 2018, section 41, chapter 579, Oregon
7 Laws 2019, and section 30, chapter 525, Oregon Laws 2021; and prescribing an effective date.

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

9 **SECTION 1.** Section 6, chapter 880, Oregon Laws 2007, as amended by section 1, chapter 750,
10 Oregon Laws 2013, and section 32, chapter 579, Oregon Laws 2019, is amended to read:

11 **Sec. 6.** ORS 315.266 applies to tax years beginning before January 1, [2026] **2032**.

12 **SECTION 2.** ORS 315.156 is amended to read:

13 315.156. (1) A taxpaying individual or corporation that is a grower of a crop and that makes a
14 qualified donation of the crop shall be allowed a credit against the taxes otherwise due under ORS
15 chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317 or 318, as follows:

16 (a) In the case of a qualified donation made under circumstances described in ORS 315.154 (5)(a)
17 or (b), the amount of the credit shall be [15] **25** percent of the value of the quantity of the crop do-
18 nated computed at the wholesale market price.

19 (b) In the case of a qualified donation made under circumstances described in ORS 315.154 (5)(c),
20 the amount of the credit shall be [15] **25** percent of the value of the quantity of the crop donated
21 computed at the wholesale market price that the grower would have received had the quantity of
22 the crop donated been sold or salable.

23 (2) At the time of donation, the director, supervisor or other appropriate official of the entity

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 to which a qualified donation is made shall supply to the grower of the crop donated two copies of
2 a form prescribed by the Department of Revenue. The forms shall contain:

3 (a) The name and address of the grower;

4 (b) The description and quantity of the donated crop;

5 (c) The signature of the director, supervisor or other appropriate official of the entity receiving
6 the donated crop verifying that the produce was or will be distributed to children or homeless, un-
7 employed, elderly or low-income individuals;

8 (d) The wholesale market price; and

9 (e) Other information required by the Department of Revenue by rule.

10 (3) Tax claim for tax credit shall be substantiated by submission with the tax return, of the form
11 described in subsection (2) of this section, a statement verified by the taxpayer that the qualified
12 donation was made under circumstances described in ORS 315.154 (5) and a copy of an invoice or
13 other statement identifying the price received by the grower for the crops of comparable grade or
14 quality if there is a previous cash buyer. The requirement for substantiation may be waived par-
15 tially, conditionally or absolutely, as provided under ORS 315.063.

16 (4) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
17 particular tax year may be carried forward and offset against the taxpayer's tax liability for the next
18 succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried
19 forward and used in the second succeeding tax year, and likewise, any credit not used in that second
20 succeeding tax year may be carried forward and used in the third succeeding tax year, but may not
21 be carried forward for any tax year thereafter.

22 (5)(a) A nonresident individual shall be allowed the credit computed under this section in the
23 same manner and subject to the same limitations as the credit allowed a resident by this section.
24 However, the credit shall be prorated using the proportion provided in ORS 316.117.

25 (b) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or if the
26 department terminates the taxpayer's taxable year under ORS 314.440, the credit allowed by this
27 section shall be prorated or computed in a manner consistent with ORS 314.085.

28 (c) If a change in the status of a taxpayer from resident to nonresident or from nonresident to
29 resident occurs, the credit allowed by this section shall be determined in a manner consistent with
30 ORS 316.117.

31 **SECTION 3.** Section 5, chapter 913, Oregon Laws 2009, as amended by section 1, chapter 115,
32 Oregon Laws 2014, and section 38, chapter 579, Oregon Laws 2019, is amended to read:

33 **Sec. 5.** Except as provided in ORS 315.156 (4), a credit may not be claimed under ORS 315.156
34 for tax years beginning on or after January 1, 2012, and before January 1, 2014, or on or after
35 January 1, [2026] **2032**.

36 **SECTION 4. The amendments to ORS 315.156 by section 2 of this 2025 Act apply to tax**
37 **years beginning on or after January 1, 2025.**

38 **SECTION 5.** Section 36, chapter 913, Oregon Laws 2009, as amended by section 9, chapter 750,
39 Oregon Laws 2013, and section 27, chapter 579, Oregon Laws 2019, is amended to read:

40 **Sec. 36.** A credit may not be claimed under ORS 316.157 for tax years beginning on or after
41 January 1, [2026] **2032**.

42 **SECTION 6.** Section 18, chapter 906, Oregon Laws 2007, as amended by section 33, chapter 913,
43 Oregon Laws 2009, section 33, chapter 750, Oregon Laws 2013, and section 23, chapter 579, Oregon
44 Laws 2019, is amended to read:

45 **Sec. 18.** [Section 17, chapter 906, Oregon Laws 2007,] **ORS 316.090** applies to individuals whose

1 household ends tenancy at a manufactured dwelling park during a tax year that begins on or after
2 January 1, 2007, and before January 1, [2026] **2032**.

3 **SECTION 7.** Section 7, chapter 826, Oregon Laws 2005, as amended by section 21, chapter 906,
4 Oregon Laws 2007, section 36, chapter 750, Oregon Laws 2013, section 14, chapter 217, Oregon Laws
5 2015, section 20, chapter 579, Oregon Laws 2019, and section 22, chapter 528, Oregon Laws 2021, is
6 amended to read:

7 **Sec. 7.** (1) Section 6, chapter 826, Oregon Laws 2005, applies to tax years beginning on or after
8 January 1, 2006, and before January 1, [2026] **2032**.

9 (2) The amendments to section 6, chapter 826, Oregon Laws 2005, by section 9, chapter 217,
10 Oregon Laws 2015, apply to tax years beginning on or after January 1, 2015, and before January 1,
11 [2026] **2032**.

12 (3) The amendments to section 6, chapter 826, Oregon Laws 2005, by section 21, **chapter 528,**
13 **Oregon Laws 2021, [of this 2021 Act]** apply to tax years beginning on or after January 1, 2021, and
14 before January 1, [2026] **2032**.

15 **SECTION 8.** Section 10, chapter 826, Oregon Laws 2005, as amended by section 22, chapter 906,
16 Oregon Laws 2007, section 37, chapter 750, Oregon Laws 2013, section 15, chapter 217, Oregon Laws
17 2015, section 22, chapter 579, Oregon Laws 2019, and section 24, chapter 528, Oregon Laws 2021, is
18 amended to read:

19 **Sec. 10.** (1) Section 9, chapter 826, Oregon Laws 2005, applies to tax years beginning on or after
20 January 1, 2006, and before January 1, [2026] **2032**.

21 (2) The amendments to section 9, chapter 826, Oregon Laws 2005, by section 10, chapter 217,
22 Oregon Laws 2015, apply to tax years beginning on or after January 1, 2015, and before January 1,
23 [2026] **2032**.

24 (3) The amendments to section 9, chapter 826, Oregon Laws 2005, by section 23, **chapter 528,**
25 **Oregon Laws 2021, [of this 2021 Act]** apply to tax years beginning on or after January 1, 2021, and
26 before January 1, [2026] **2032**.

27 **SECTION 9.** ORS 317.097, as amended by section 25, chapter 75, Oregon Laws 2024, is amended
28 to read:

29 317.097. (1) As used in this section:

30 (a) “Annual rate” means the yearly interest rate specified on the note, and not the annual per-
31 centage rate, if any, disclosed to the applicant to comply with the federal Truth in Lending Act.

32 (b) “Bonds” means a bond, as defined in ORS 286A.001, if issued on behalf of the Housing and
33 Community Services Department, or bonds, as defined in ORS 456.055, if issued by a housing au-
34 thority.

35 (c) “Finance charge” means the total of all interest, loan fees, interest on any loan fees financed
36 by the lending institution, and other charges related to the cost of obtaining credit.

37 (d) “Lending institution” means any insured institution, as that term is defined in ORS 706.008,
38 any mortgage banking company that maintains an office in this state or any community development
39 corporation that is organized under the Oregon Nonprofit Corporation Law.

40 (e) “Limited equity cooperative” means a cooperative corporation formed under ORS chapter 62
41 whose articles of incorporation, in addition to the other requirements of ORS chapter 62, prohibit
42 members from selling their ownership interests:

43 (A) To any person other than a low income person; or

44 (B) For a sales price that exceeds the sum of:

45 (i) The price the member paid for the ownership interest;

1 (ii) The cost of any permanent improvements the member made to the housing unit during the
2 member's ownership;

3 (iii) Any special assessments the member paid to the limited equity cooperative during the
4 member's ownership that were expended to make permanent improvements to the building in which
5 the member's housing unit is located; and

6 (iv) A return on the amounts described in sub-subparagraphs (i) to (iii) of this subparagraph,
7 computed from the year in which the respective amount was paid, that equals the greater of the
8 result of adjusting each amount by the percentage increase, if any, in the Consumer Price Index for
9 All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the
10 United States Department of Labor, or of increasing each amount by three percent compounded
11 annually.

12 (f) "Manufactured dwelling park" has the meaning given that term in ORS 446.003.

13 (g) "Nonprofit corporation" means a corporation that is exempt from income taxes under section
14 501(c)(3) or (4) of the Internal Revenue Code as amended and in effect on December 31, 2023.

15 (h) "Preservation project" means housing that was previously developed as affordable housing
16 with a contract for rent assistance from the United States Department of Housing and Urban De-
17 velopment or the United States Department of Agriculture and that is being acquired by a spon-
18 soring entity.

19 (i) "Qualified assignee" means any investor participating in the secondary market for real estate
20 loans.

21 (j) "Qualified borrower" means any borrower that is a sponsoring entity that has a controlling
22 interest in the real property that is financed by a qualified loan. A controlling interest includes a
23 controlling interest in the general partner of a limited partnership that owns the real property.

24 (k) "Qualified loan" means:

25 (A) A loan that meets the criteria stated in subsection (5) of this section or that is made to re-
26 finance a loan that meets the criteria described in subsection (5) of this section; *[or]*

27 (B) The purchase by a lending institution of bonds, the proceeds of which are used to finance
28 or refinance a loan that meets the criteria described in subsection (5) of this section.; **or**

29 **(C) A qualified mortgage loan fund.**

30 **(L) "Qualified mortgage loan fund" means a fund that:**

31 **(A) Is operated by a lending institution described in subsection (12) of this section;**

32 **(B) Makes mortgages to first-time home buyers;**

33 **(C) Makes mortgages for homes subject to a land trust mortgage; and**

34 **(D) Makes mortgages to households that, at the time of mortgage origination, have in-**
35 **come that is 80 percent or less of area median income as defined in ORS 458.610.**

36 *[L]* **(m)** "Sponsoring entity" means a nonprofit corporation, nonprofit cooperative, state gov-
37 ernmental entity, local unit of government as defined in ORS 466.706, housing authority or any other
38 person, provided that the person has agreed to restrictive covenants imposed by a nonprofit corpo-
39 ration, nonprofit cooperative, state governmental entity, local unit of government or housing au-
40 thority.

41 (2) The Department of Revenue shall allow a credit against taxes otherwise due under this
42 chapter for the tax year to a lending institution that makes a qualified loan certified by the Housing
43 and Community Services Department as provided in subsection (7) of this section. The amount of the
44 credit is equal to the difference between:

45 (a) The amount of finance charge charged by the lending institution during the tax year at an

1 annual rate less than the market rate for a qualified loan [*that is made before January 1, 2026,*] that
2 complies with the requirements of this section; and

3 (b) The amount of finance charge that would have been charged during the tax year by the
4 lending institution for the qualified loan for housing construction, development, acquisition or re-
5 habilitation measured at the annual rate charged by the lending institution for nonsubsidized loans
6 made under like terms and conditions at the time the qualified loan for housing construction, de-
7 velopment, acquisition or rehabilitation is made.

8 (3) The maximum amount of credit for the difference between the amounts described in sub-
9 section (2)(a) and (b) of this section may not exceed four percent of the average unpaid balance of
10 the qualified loan during the tax year for which the credit is claimed.

11 (4) Any tax credit allowed under this section that is not used by the taxpayer in a particular
12 year may be carried forward and offset against the taxpayer's tax liability for the next succeeding
13 tax year. Any credit remaining unused in the next succeeding tax year may be carried forward and
14 used in the second succeeding tax year, and likewise, any credit not used in that second succeeding
15 tax year may be carried forward and used in the third succeeding tax year, and any credit not used
16 in that third succeeding tax year may be carried forward and used in the fourth succeeding tax year,
17 and any credit not used in that fourth succeeding tax year may be carried forward and used in the
18 fifth succeeding tax year, but may not be carried forward for any tax year thereafter.

19 (5) To be eligible for the tax credit allowable under this section, a lending institution must make
20 a qualified loan by either purchasing bonds, the proceeds of which are used to finance or refinance
21 a loan that meets the criteria stated in this subsection, or making a loan directly to:

22 (a) An individual or individuals who own a dwelling, participate in an owner-occupied commu-
23 nity rehabilitation program and are certified by the local government or its designated agent as
24 having an income level when the loan is made of 80 percent of the area median income or less;

25 (b) A qualified borrower who:

26 (A) Uses the loan proceeds to finance construction, development, acquisition or rehabilitation
27 of housing, including housing in the form of a limited equity cooperative; and

28 (B) Provides a written certification executed by the Housing and Community Services Depart-
29 ment that the:

30 (i) Housing created by the loan is or will be occupied by households earning 80 percent of the
31 area median income or less; and

32 (ii) Full amount of savings from the reduced interest rate provided by the lending institution is
33 or will be passed on, in the form of reduced housing payments, to the tenants or to the holders of
34 proprietary leases in a limited equity cooperative;

35 (c) Subject to subsection (14) of this section, a qualified borrower who:

36 (A) Uses the loan proceeds to finance construction, development, acquisition or rehabilitation
37 of housing consisting of a manufactured dwelling park; and

38 (B) Provides a written certification executed by the Housing and Community Services Depart-
39 ment that the housing will continue to be operated as a manufactured dwelling park during the pe-
40 riod for which the tax credit is allowed;

41 (d) A qualified borrower who:

42 (A) Uses the loan proceeds to finance acquisition or rehabilitation of housing consisting of a
43 preservation project; and

44 (B) Provides a written certification executed by the Housing and Community Services Depart-
45 ment that the housing preserved by the loan:

- 1 (i) Is or will be occupied by households earning 80 percent of the area median income or less;
2 and
- 3 (ii) Is the subject of a rent assistance contract with the United States Department of Housing
4 and Urban Development or the United States Department of Agriculture that will be maintained by
5 the qualified borrower; *[or]*
- 6 (e) A qualified borrower who:
- 7 (A) Uses the loan proceeds to finance construction, development, acquisition or rehabilitation
8 of housing; and
- 9 (B) Provides a written certification executed by the Housing and Community Services Depart-
10 ment or the governmental party to the rent assistance contract that the housing preserved by the
11 loan:
- 12 (i) Is or will be occupied by households earning 80 percent of the area median income or less;
13 and
- 14 (ii) Is the subject of a rent assistance contract with the federal government or with a state or
15 local government that will be maintained by the qualified borrower and that limits a tenant's rent
16 to no more than 30 percent of their income[.];
- 17 **(f) A qualified borrower who:**
- 18 **(A) Uses the loan proceeds to finance preservation or rehabilitation of housing; and**
- 19 **(B) Provides a written certification executed by the Housing and Community Services**
20 **Department that the housing preserved or rehabilitated by the loan:**
- 21 **(i) Is or will be occupied by households earning 80 percent of the area median income or**
22 **less; and**
- 23 **(ii) Is currently characterized by financial or physical distress that threatens its ongoing**
24 **viability as an affordable housing resource; or**
- 25 **(g) A qualified mortgage loan fund.**
- 26 (6) A loan made to refinance a loan that meets the criteria stated in subsection (5) of this sec-
27 tion must be treated the same as a loan that meets the criteria stated in subsection (5) of this sec-
28 tion.
- 29 (7) For a qualified loan to be eligible for the tax credit allowable under this section, the Housing
30 and Community Services Department must execute a written certification for the qualified loan that:
- 31 (a) States that the qualified loan is within the limitation imposed by subsection (8) of this sec-
32 tion; and
- 33 (b) Specifies the period, as determined by the Housing and Community Services Department,
34 during which the tax credit is allowed for the qualified loan, not to exceed:
- 35 (A) 30 years, for a qualified loan with a contract for rent assistance or financing resources from
36 the United States Department of Agriculture, for new housing construction, acquisition of housing
37 or a preservation project; or
- 38 (B) 20 years, for any other type of qualified loan.
- 39 (8) The Housing and Community Services Department may certify qualified loans that are eligi-
40 ble under subsection (5) of this section if the total credits attributable to all qualified loans eligible
41 for credits under this section and then outstanding do not exceed \$35 million for any fiscal year. In
42 making loan certifications under subsection (7) of this section, the Housing and Community Services
43 Department shall attempt to distribute the tax credits statewide, but shall concentrate the tax
44 credits in those areas of the state that are determined by the Oregon Housing Stability Council to
45 have the greatest need for affordable housing.

1 (9) The tax credit provided for in this section may be taken whether or not:

2 (a) The financial institution is eligible to take a federal income tax credit under section 42 of
3 the Internal Revenue Code with respect to the project financed by the qualified loan; or

4 (b) The project receives financing from bonds, the interest on which is exempt from federal
5 taxation under section 103 of the Internal Revenue Code.

6 (10) For a qualified loan defined in subsection (1)(k)(B) of this section financed through the
7 purchase of bonds, the interest of which is exempt from federal taxation under section 103 of the
8 Internal Revenue Code, the amount of finance charge that would have been charged under sub-
9 section (2)(b) of this section is determined by reference to the finance charge that would have been
10 charged if the federally tax exempt bonds had been issued and the tax credit under this section did
11 not apply.

12 (11) A lending institution may sell a qualified loan for which a certification has been executed
13 to a qualified assignee whether or not the lending institution retains servicing of the qualified loan
14 so long as a designated lending institution maintains records, annually verified by a loan servicer,
15 that establish the amount of tax credit earned by the taxpayer throughout each year of eligibility.

16 (12) Notwithstanding any other provision of law, a lending institution that is a community de-
17 velopment corporation organized under the Oregon Nonprofit Corporation Law may transfer all or
18 part of a tax credit allowed under this section to one or more other lending institutions that are
19 stockholders or members of the community development corporation or that otherwise participate
20 through the community development corporation in the making of one or more qualified loans for
21 which the tax credit under this section is allowed.

22 (13) The lending institution shall file an annual statement with the Housing and Community
23 Services Department, specifying that it has conformed with all requirements imposed by law to
24 qualify for a tax credit under this section.

25 (14) Notwithstanding subsection (1)(j) and [(L)] **(m)** of this section, a qualified borrower on a
26 loan to finance the construction, development, acquisition or rehabilitation of a manufactured
27 dwelling park under subsection (5)(c) of this section must be:

28 (a) A nonprofit corporation, manufactured dwelling park nonprofit cooperative, state govern-
29 mental entity, local unit of government as defined in ORS 466.706 or housing authority; or

30 (b) A nonprofit corporation or housing authority that has a controlling interest in the real
31 property that is financed by a qualified loan. A controlling interest includes a controlling interest
32 in the general partner of a limited partnership that owns the real property.

33 (15) The Department of Revenue may require that a lending institution that has earned the
34 credit and a lending institution that intends to claim the credit jointly file a notice, as prescribed
35 by the Department of Revenue. The notice must comply with ORS 315.056 (2) or 315.058 (2).

36 (16) The Housing and Community Services Department shall provide information to the Depart-
37 ment of Revenue about all certifications executed under this section, if required by ORS 315.058.

38 (17) The Housing and Community Services Department and the Department of Revenue may
39 adopt rules to carry out the provisions of this section.

40 **SECTION 10. The amendments to ORS 317.097 by section 9 of this 2025 Act apply to loans**
41 **made or modified on or after January 1, 2026, and to tax years beginning on or after January**
42 **1, 2026.**

43 **SECTION 11.** Section 30, chapter 525, Oregon Laws 2021, is amended to read:

44 **Sec. 30.** The amendments to ORS 317.097 by section 29 [*of this 2021 Act*], **chapter 525, Oregon**
45 **Laws 2021**, apply to tax years beginning on or after January 1, 2022[, and before January 1, 2026].

1 **SECTION 12.** ORS 315.622 is amended to read:

2 315.622. (1) A resident or nonresident individual who is certified as eligible under ORS 442.561
3 to 442.570 and who is licensed as an emergency medical services provider under ORS chapter 682
4 shall be allowed a credit against the taxes that are otherwise due under ORS chapter 316 if the
5 Office of Rural Health certifies that the individual provides volunteer emergency medical services
6 in a rural area that comprise at least 20 percent of the total emergency medical services provided
7 by the individual in the tax year.

8 (2) The amount of the credit shall equal [*\$250*] **\$1,000**.

9 (3) A nonresident shall be allowed the credit under this section in the proportion provided in
10 ORS 316.117. If a change in the status of a taxpayer from resident to nonresident or from nonresi-
11 dent to resident occurs, the credit allowed by this section shall be determined in a manner consist-
12 ent with ORS 316.117.

13 (4) As used in this section, “rural area” means a geographic area that is located at least 25
14 miles from any city with a population of 30,000 or more.

15 (5) The Office of Rural Health shall provide information to the Department of Revenue about
16 all taxpayers that are eligible for a tax credit under this section, if required by ORS 315.058.

17 **(6) Not later than September 15 of each year, the office shall, in the manner provided in**
18 **ORS 192.245, submit a report on the number of taxpayers eligible for the tax credit described**
19 **under this section to the interim committees of the Legislative Assembly related to health**
20 **care and to the Emergency Medical Services Program established in section 2, chapter 32,**
21 **Oregon Laws 2024.**

22 **SECTION 13.** Section 66, chapter 832, Oregon Laws 2005, as amended by section 26, chapter
23 913, Oregon Laws 2009, section 16, chapter 750, Oregon Laws 2013, section 28, chapter 579, Oregon
24 Laws 2019, and section 10, chapter 490, Oregon Laws 2023, is amended to read:

25 **Sec. 66.** ORS 315.622 applies to tax credit certifications issued by the Office of Rural Health
26 on or after January 1, 2006, and before January 1, [*2028*] **2030**.

27 **SECTION 14. The amendments to ORS 315.622 by section 12 of this 2025 Act apply to tax**
28 **years beginning on or after January 1, 2026.**

29 **SECTION 15.** ORS 315.271 is amended to read:

30 315.271. (1) A credit against taxes otherwise due under ORS chapter 316, 317 or 318 shall be
31 allowed for donations to a fiduciary organization for distribution to individual development accounts
32 established under ORS 458.685. The credit shall equal a percentage of the taxpayer’s donation
33 amount, as determined by the fiduciary organization, but not to exceed 90 percent of any donation
34 amount. A credit may be claimed for a donation made not later than April 15 following December
35 31 of the tax year for which the credit is allowed. [*To qualify for a credit under this section, do-*
36 *nations to a fiduciary organization must be made prior to April 15, 2028.*]

37 (2) If a credit allowed under this section is claimed, the amount upon which the credit is based
38 that is allowed or allowable as a deduction from federal taxable income under section 170 of the
39 Internal Revenue Code shall be added to federal taxable income in determining Oregon taxable in-
40 come. As used in this subsection, the amount upon which a credit is based is the allowed credit di-
41 vided by the applicable percentage, as determined by the fiduciary organization.

42 (3) The allowable tax credit that may be used in any one tax year shall not exceed the tax li-
43 ability of the taxpayer.

44 (4) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
45 particular year may be carried forward and offset against the taxpayer’s tax liability for the next

1 succeeding tax year. Any tax credit remaining unused in the next succeeding tax year may be car-
 2 ried forward and used in the second succeeding tax year. Any tax credit not used in the second
 3 succeeding tax year may be carried forward and used in the third succeeding tax year, but may not
 4 be carried forward for any tax year thereafter.

5 (5) The total credits allowed to all taxpayers in any tax year under this section and ORS 458.690
 6 may not exceed [*\$7.5 million*] **\$7.7 million**. The total credit allowed to a taxpayer in any tax year
 7 under this section and ORS 458.690 may not exceed \$500,000.

8 **SECTION 16.** ORS 315.271, as amended by section 15 of this 2025 Act, is amended to read:

9 315.271. (1) A credit against taxes otherwise due under ORS chapter 316, 317 or 318 shall be
 10 allowed for donations to a fiduciary organization for distribution to individual development accounts
 11 established under ORS 458.685. The credit shall equal a percentage of the taxpayer's donation
 12 amount, as determined by the fiduciary organization, but not to exceed 90 percent of any donation
 13 amount. A credit may be claimed for a donation made not later than April 15 following December
 14 31 of the tax year for which the credit is allowed.

15 (2) If a credit allowed under this section is claimed, the amount upon which the credit is based
 16 that is allowed or allowable as a deduction from federal taxable income under section 170 of the
 17 Internal Revenue Code shall be added to federal taxable income in determining Oregon taxable in-
 18 come. As used in this subsection, the amount upon which a credit is based is the allowed credit di-
 19 vided by the applicable percentage, as determined by the fiduciary organization.

20 (3) The allowable tax credit that may be used in any one tax year shall not exceed the tax li-
 21 ability of the taxpayer.

22 (4) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
 23 particular year may be carried forward and offset against the taxpayer's tax liability for the next
 24 succeeding tax year. Any tax credit remaining unused in the next succeeding tax year may be car-
 25 ried forward and used in the second succeeding tax year. Any tax credit not used in the second
 26 succeeding tax year may be carried forward and used in the third succeeding tax year, but may not
 27 be carried forward for any tax year thereafter.

28 (5) The total credits allowed to all taxpayers in any tax year under this section and ORS 458.690
 29 may not exceed [*\$7.7 million*] **\$8 million**. The total credit allowed to a taxpayer in any tax year
 30 under this section and ORS 458.690 may not exceed \$500,000.

31 **SECTION 17.** (1) **The amendments to ORS 315.271 by section 15 of this 2025 Act apply to**
 32 **tax years beginning on or after January 1, 2025, and before January 1, 2026.**

33 (2) **The amendments to ORS 315.271 by section 16 of this 2025 Act apply to tax years be-**
 34 **ginning on or after January 1, 2026.**

35 **SECTION 18.** Section 9, chapter 765, Oregon Laws 2007, as amended by section 7, chapter 701,
 36 Oregon Laws 2015, section 7, chapter 525, Oregon Laws 2021, and section 16, chapter 490, Oregon
 37 Laws 2023, is amended to read:

38 **Sec. 9.** (1) A credit may not be claimed under ORS 315.271 and 458.690 for tax years beginning
 39 on or after January 1, 2030.

40 (2) **For a taxpayer to qualify for a credit under ORS 315.271, donations to a fiduciary or-**
 41 **ganization must be made prior to April 15, 2030.**

42 [(2)] (3) The amendments to ORS 315.271 by section 6, chapter 525, Oregon Laws 2021, apply to
 43 tax years beginning on or after January 1, 2022, and before January 1, 2030.

44 **SECTION 19.** ORS 315.514 is amended to read:

45 315.514. (1) A credit against the taxes that are otherwise due under ORS chapter 316 or, if the

1 taxpayer is a corporation, under ORS chapter 317 or 318, is allowed to a taxpayer for certified film
 2 production development contributions made by the taxpayer to the Oregon Production Investment
 3 Fund established under ORS 284.367.

4 (2)(a) The Department of Revenue shall, in cooperation with the Oregon Film and Video Office,
 5 conduct an auction of tax credits under this section. The auction may be conducted no later than
 6 April 15 following December 31 of any tax year for which the credit is allowed. The department may
 7 conduct the auction in the manner that it determines is best suited to maximize the return to the
 8 state on the sale of tax credit certifications and shall announce a reserve bid prior to conducting
 9 the auction. The reserve amount shall be at least 90 percent of the total amount of the tax credit.
 10 Moneys necessary to reimburse the department for the actual costs incurred by the department in
 11 administering an auction, not to exceed 0.25 percent of auction proceeds, are continuously appro-
 12 priated to the department. The department shall deposit net receipts from the auction required un-
 13 der this section in the Oregon Production Investment Fund.

14 (b) The Oregon Film and Video Office shall adopt rules in order to achieve the following goals:

15 (A) Subject to paragraph (a) of this subsection, generate contributions for which tax credits of
 16 *[\$20 million]* **\$20.6 million** are certified for each fiscal year;

17 (B) Maximize income and excise tax revenues that are retained by the State of Oregon for state
 18 operations; and

19 (C) Provide the necessary financial incentives for taxpayers to make contributions, taking into
 20 consideration the impact of granting a credit upon a taxpayer's federal income tax liability.

21 (3) Contributions made under this section shall be deposited in the Oregon Production Invest-
 22 ment Fund.

23 (4)(a) Upon receipt of a contribution, the Oregon Film and Video Office shall, except as provided
 24 in ORS 315.516, issue to the taxpayer written certification of the amount certified for tax credit
 25 under this section to the extent the amount certified for tax credit, when added to all amounts
 26 previously certified for tax credit under this section, does not exceed *[\$20 million]* **\$20.6 million** for
 27 the fiscal year in which certification is made.

28 (b) The Oregon Film and Video Office may issue a certification for a credit under this section,
 29 and a credit may be allowed, for the tax year in which a contribution is made, or for the tax year
 30 immediately preceding the tax year in which a contribution is made and for auctions conducted no
 31 later than April 15 following December 31 of any tax year for which the credit is allowed, if no re-
 32 turn has yet been filed for the preceding tax year.

33 (c) The Oregon Film and Video Office and the department are not liable, and a refund of a
 34 contributed amount need not be made, if a taxpayer who has received tax credit certification is
 35 unable to use all or a portion of the tax credit to offset the tax liability of the taxpayer.

36 (5) To the extent the Oregon Film and Video Office does not certify contributed amounts as el-
 37 igible for a tax credit under this section, the taxpayer may request a refund of the amount the tax-
 38 payer contributed, and the office shall refund that amount.

39 (6)(a) Except as provided in paragraph (b) of this subsection, a tax credit claimed under this
 40 section may not exceed the tax liability of the taxpayer and may not be carried over to another tax
 41 year.

42 (b) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
 43 particular tax year may be carried forward and offset against the taxpayer's tax liability for the next
 44 succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried
 45 forward and used in the second succeeding tax year, and likewise, any credit not used in that second

1 succeeding tax year may be carried forward and used in the third succeeding tax year but may not
2 be carried forward for any tax year thereafter.

3 (c) A taxpayer is not eligible for a tax credit under this section if the first tax year for which
4 the credit would otherwise be allowed begins on or after January 1, 2030.

5 (7) If a tax credit is claimed under this section by a nonresident or part-year resident taxpayer,
6 the amount shall be allowed without proration under ORS 316.117.

7 (8) If the amount of contribution for which a tax credit certification is made is allowed as a
8 deduction for federal tax purposes, the amount of the contribution shall be added to federal taxable
9 income for Oregon tax purposes.

10 **SECTION 20.** ORS 315.514, as amended by section 19 of this 2025 Act, is amended to read:

11 315.514. (1) A credit against the taxes that are otherwise due under ORS chapter 316 or, if the
12 taxpayer is a corporation, under ORS chapter 317 or 318, is allowed to a taxpayer for certified film
13 production development contributions made by the taxpayer to the Oregon Production Investment
14 Fund established under ORS 284.367.

15 (2)(a) The Department of Revenue shall, in cooperation with the Oregon Film and Video Office,
16 conduct an auction of tax credits under this section. The auction may be conducted no later than
17 April 15 following December 31 of any tax year for which the credit is allowed. The department may
18 conduct the auction in the manner that it determines is best suited to maximize the return to the
19 state on the sale of tax credit certifications and shall announce a reserve bid prior to conducting
20 the auction. The reserve amount shall be at least 90 percent of the total amount of the tax credit.
21 Moneys necessary to reimburse the department for the actual costs incurred by the department in
22 administering an auction, not to exceed 0.25 percent of auction proceeds, are continuously appro-
23 priated to the department. The department shall deposit net receipts from the auction required un-
24 der this section in the Oregon Production Investment Fund.

25 (b) The Oregon Film and Video Office shall adopt rules in order to achieve the following goals:

26 (A) Subject to paragraph (a) of this subsection, generate contributions for which tax credits of
27 [\$20.6 million] **\$21.2 million** are certified for each fiscal year;

28 (B) Maximize income and excise tax revenues that are retained by the State of Oregon for state
29 operations; and

30 (C) Provide the necessary financial incentives for taxpayers to make contributions, taking into
31 consideration the impact of granting a credit upon a taxpayer's federal income tax liability.

32 (3) Contributions made under this section shall be deposited in the Oregon Production Invest-
33 ment Fund.

34 (4)(a) Upon receipt of a contribution, the Oregon Film and Video Office shall, except as provided
35 in ORS 315.516, issue to the taxpayer written certification of the amount certified for tax credit
36 under this section to the extent the amount certified for tax credit, when added to all amounts
37 previously certified for tax credit under this section, does not exceed [\$20.6 million] **\$21.2 million**
38 for the fiscal year in which certification is made.

39 (b) The Oregon Film and Video Office may issue a certification for a credit under this section,
40 and a credit may be allowed, for the tax year in which a contribution is made, or for the tax year
41 immediately preceding the tax year in which a contribution is made and for auctions conducted no
42 later than April 15 following December 31 of any tax year for which the credit is allowed, if no re-
43 turn has yet been filed for the preceding tax year.

44 (c) The Oregon Film and Video Office and the department are not liable, and a refund of a
45 contributed amount need not be made, if a taxpayer who has received tax credit certification is

1 unable to use all or a portion of the tax credit to offset the tax liability of the taxpayer.

2 (5) To the extent the Oregon Film and Video Office does not certify contributed amounts as el-
3 igible for a tax credit under this section, the taxpayer may request a refund of the amount the tax-
4 payer contributed, and the office shall refund that amount.

5 (6)(a) Except as provided in paragraph (b) of this subsection, a tax credit claimed under this
6 section may not exceed the tax liability of the taxpayer and may not be carried over to another tax
7 year.

8 (b) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
9 particular tax year may be carried forward and offset against the taxpayer's tax liability for the next
10 succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried
11 forward and used in the second succeeding tax year, and likewise, any credit not used in that second
12 succeeding tax year may be carried forward and used in the third succeeding tax year but may not
13 be carried forward for any tax year thereafter.

14 (c) A taxpayer is not eligible for a tax credit under this section if the first tax year for which
15 the credit would otherwise be allowed begins on or after January 1, 2030.

16 (7) If a tax credit is claimed under this section by a nonresident or part-year resident taxpayer,
17 the amount shall be allowed without proration under ORS 316.117.

18 (8) If the amount of contribution for which a tax credit certification is made is allowed as a
19 deduction for federal tax purposes, the amount of the contribution shall be added to federal taxable
20 income for Oregon tax purposes.

21 **SECTION 21.** (1) **The amendments to ORS 315.514 by section 19 of this 2025 Act apply to**
22 **fiscal years beginning on or after July 1, 2025, and before July 1, 2026.**

23 **(2) The amendments to ORS 315.514 by section 20 of this 2025 Act apply to fiscal years**
24 **beginning on or after July 1, 2026.**

25 **SECTION 22.** Section 41, chapter 579, Oregon Laws 2019, is amended to read:

26 **Sec. 41.** The repeal of ORS 825.475 by section 40 [of this 2019 Act], **chapter 579, Oregon Laws**
27 **2019**, becomes operative on January 1, [2026] **2032**.

28 **SECTION 23.** ORS 316.798 is amended to read:

29 316.798. (1) Subject to ORS 316.800, and in addition to the other modifications to federal taxable
30 income contained in this chapter, there shall be subtracted from federal taxable income the amount
31 of funds contributed by an account holder to the account holder's first-time home buyer savings
32 account during the tax year, not to exceed \$5,000 for an account holder who files an individual in-
33 come tax return or \$10,000 for joint account holders who file a joint income tax return.

34 (2) Earnings, including interest and other income, on the principal in the account during the tax
35 year are exempt from taxation until withdrawn by the taxpayer, subject to subsection (3) of this
36 section.

37 (3) An account holder may claim the subtraction and exemption under subsections (1) and (2)
38 of this section:

39 (a) For contributions made into a first-time home buyer savings account opened before January
40 1, [2027] **2032**;

41 (b) For a period not to exceed 10 years from the date the account holder first opens any first-
42 time home buyer savings account; and

43 (c) For an aggregate total amount of principal and earnings not to exceed \$50,000 during the
44 10-year period.

45 (4) A person other than the account holder who deposits funds in a first-time home buyer savings

1 account is not entitled to the subtraction and exemption provided for in this section.

2 **SECTION 24.** Section 9, chapter 109, Oregon Laws 2018, is amended to read:

3 **Sec. 9.** *[Sections 2 to 8 of this 2018 Act]* **ORS 316.796 to 316.803** apply to tax years beginning
4 on or after January 1, 2019, and before January 1, [2037] **2042**.

5 **SECTION 25.** **This 2025 Act takes effect on the 91st day after the date on which the 2025**
6 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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