

House Bill 2755

Sponsored by Representative HOLVEY, Senator BEYER

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**.

Requires value of transferable tax credit to be determined during calendar quarter in which agreement is reached to transfer credit.

Applies to tax credits transferred on or after effective date of Act.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to determination of values of transferable tax credits; creating new provisions; amending
3 ORS 285C.549, 469B.148, 469B.276 and 469B.323; and prescribing an effective date.

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

5 **SECTION 1.** ORS 285C.549 is amended to read:

6 285C.549. (1) The owner, contract purchaser or lessee of a renewable energy resource equipment
7 manufacturing facility may transfer a tax credit for the facility in exchange for a cash payment
8 equal to the present value of the tax credit, **as determined during the calendar quarter in which**
9 **an agreement is reached to transfer the credit.**

10 (2) The Director of the Oregon Business Development Department shall establish by rule a for-
11 mula to be employed in the determination of prices of credits transferred under this section. In
12 establishing the formula the department shall incorporate inflation projections and market real rate
13 of return.

14 (3) The director shall recalculate credit transfer prices quarterly, employing the formula estab-
15 lished under subsection (2) of this section.

16 **SECTION 2.** ORS 469B.148 is amended to read:

17 469B.148. (1) The owner of a facility may transfer a tax credit for the facility in exchange for
18 a cash payment equal to the present value of the potential tax credit, as determined [*at the time of*
19 *the application for preliminary certification*] **during the calendar quarter in which an agreement**
20 **is reached to transfer the credit.**

21 (2) The State Department of Energy shall establish by rule a formula to be employed in the de-
22 termination of prices of credits transferred under this section. In establishing the formula the de-
23 partment shall incorporate inflation projections and market real rate of return.

24 (3) The department shall recalculate credit transfer prices quarterly, employing the formula es-
25 tablished under subsection (2) of this section.

26 (4) Notwithstanding any other provision of law, a tax credit transferred pursuant to this section
27 does not decrease the amount of taxes required to be reported by a public utility.

28 **SECTION 3.** ORS 469B.276 is amended to read:

29 469B.276. (1) The owner of a project may transfer a tax credit for the project in exchange for
30 a cash payment equal to the present value of the potential tax credit, as determined [*at the time of*

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 *the application for preliminary certification]* **during the calendar quarter in which an agreement**
 2 **is reached to transfer the credit.** If the tax credit is subject to recertification, only that portion
 3 of the tax credit that has been recertified may be transferred.

4 (2) The State Department of Energy shall establish by rule a formula to be employed in the de-
 5 termination of prices of credits transferred under this section. In establishing the formula the de-
 6 partment shall incorporate inflation projections and market real rate of return.

7 (3) The department shall recalculate credit transfer prices quarterly, employing the formula es-
 8 tablished under subsection (2) of this section.

9 **SECTION 4.** ORS 469B.323 is amended to read:

10 469B.323. (1) The owner of a transportation project may transfer a tax credit for the project in
 11 exchange for a cash payment equal to the present value of the tax credit, **as determined during**
 12 **the calendar quarter in which an agreement is reached to transfer the credit.**

13 (2) The State Department of Energy shall establish by rule a formula to be employed in the de-
 14 termination of prices of credits transferred under this section. In establishing the formula the de-
 15 partment shall incorporate inflation projections and market real rate of return.

16 (3) The department shall recalculate credit transfer prices quarterly, employing the formula es-
 17 tablished under subsection (2) of this section.

18 **SECTION 5.** **The amendments to ORS 285C.549, 469B.148, 469B.276 and 469B.323 by**
 19 **sections 1 to 4 of this 2017 Act apply to tax credits transferred on or after the effective date**
 20 **of this 2017 Act.**

21 **SECTION 6.** **This 2017 Act takes effect on the 91st day after the date on which the 2017**
 22 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

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