

HB 2528 STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

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Sub-Referral To: Joint Committee On Tax Expenditures

Meeting Dates: 1/30

WHAT THE MEASURE DOES:

Creates income or corporate excise tax credit allowed for purchase of commercial-grade battery-powered leaf blowers and related equipment. Allows licensed landscape construction professionals, licensed landscape contracting businesses, or licensed commercial contractors to receive excise tax credit. Requires excise tax credit to equal 50 percent of the total amount paid by the taxpayer during the tax year for the purchase of new battery-powered leaf blowers, batteries, or chargers. Requires a taxpayer, prior to claiming the credit allowed under this section, to receive written certification of eligibility from the Oregon Department of Energy (ODOE). Prohibits the credit allowed from exceeding the tax liability of the taxpayer for the tax year. Provides guidelines for carrying forward any allowable tax credit that is not used by the taxpayer in a particular tax year. Requires nonresident to be allowed the credit. Requires credit to be computed in the same manner and be subject to the same limitations as the credit granted to a resident, with some exceptions. Requires ODOE to adopt rules for policies and procedures for certifying taxpayers as eligible for the credit, among others. Requires ODOE to provide information to the Department of Revenue about all taxpayers that are eligible for a tax credit. 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.

- *REVENUE: May have revenue impact, but no statement yet issued*
- *FISCAL: May have fiscal impact, but no statement yet issued*

Subsequent Referral to Tax Expenditures.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Leaf blowers are popular commercial landscaping tools that can be powered by gas, electricity, or batteries. Gas-powered leaf blowers emit greenhouse gas emissions and can create noise pollution. Battery-powered leaf blowers can minimize noise pollution but may be cost prohibitive for commercial landscapers to adopt. According to the Oregon Department of Revenue, corporations doing business in Oregon must file one of two corporation 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 2528 would create income or corporate excise tax credit allowed for purchase of commercial-grade battery-powered leaf blowers and related equipment.