

# House Bill 2528

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Environment and Natural Resources for Oregon Landscape Contractors Association)

## 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 income or corporate excise tax credit allowed for purchase of commercial-grade battery-powered leaf blowers and related equipment.

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 a tax credit for the purchase of battery-powered leaf blowers; creating new provisions;  
3 amending ORS 314.772 and 318.031; and prescribing 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) A credit against taxes that are otherwise due under ORS chapter 316 or,**  
7 **if the taxpayer is a corporation, under ORS chapter 317 or 318 is allowed to a taxpayer for**  
8 **the purchase during the tax year of one or more new commercial-grade battery-powered leaf**  
9 **blowers and any new batteries and battery chargers necessary for the use of commercial-**  
10 **grade battery-powered leaf blowers.**

11 **(2) In order to claim the credit allowed under this section, a taxpayer must be:**

12 **(a) Licensed under ORS 671.510 to 671.760 as a landscape construction professional or as**  
13 **a landscape contracting business; or**

14 **(b) Licensed under ORS chapter 701 as a commercial contractor.**

15 **(3) The credit under this section shall equal 50 percent of the total amount paid by the**  
16 **taxpayer during the tax year for the purchase of new battery-powered leaf blowers, batteries**  
17 **or chargers.**

18 **(4) Prior to claiming the credit allowed under this section, a taxpayer is required to re-**  
19 **ceive written certification of eligibility from the State Department of Energy.**

20 **(5) The credit allowed under this section may not exceed the tax liability of the taxpayer**  
21 **for the tax year.**

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

28 **(7) A nonresident shall be allowed the credit under this section. The credit shall be**  
29 **computed in the same manner and be subject to the same limitations as the credit granted**  
30 **to a resident. However, the credit shall be prorated using the proportion provided in ORS**

**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 **316.117.**

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

6 (9) If a change in the status of a taxpayer from resident to nonresident or from nonres-  
7 ident to resident occurs, the credit allowed under this section shall be determined in a  
8 manner consistent with ORS 316.117.

9 (10) The State Department of Energy shall adopt rules for the purposes of this section,  
10 including policies and procedures for certifying taxpayers as eligible for the credit allowed  
11 under this section as required in subsection (4) of this section.

12 (11) The State Department of Energy shall provide information to the Department of  
13 Revenue about all taxpayers that are eligible for a tax credit under this section, if required  
14 as provided under ORS 315.058.

15 **SECTION 3.** ORS 314.772, as amended by section 11, chapter 34, Oregon Laws 2022, and section  
16 15, chapter 115, Oregon Laws 2022, is amended to read:

17 314.772. (1) Except as provided in ORS 314.766 (5)(b), the tax credits allowed or allowable to a  
18 C corporation for purposes of ORS chapter 317 or 318 shall not be allowed to an S corporation. The  
19 business tax credits allowed or allowable for purposes of ORS chapter 316 shall be allowed or are  
20 allowable to the shareholders of the S corporation.

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

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

30 (4) If the shareholder is a nonresident and there is a requirement applicable for the business tax  
31 credit that in the case of a nonresident the credit be allowed in the proportion provided in ORS  
32 316.117, then that provision shall apply to the nonresident shareholder.

33 (5) As used in this section, "business tax credit" means the following credits: ORS 315.104  
34 (forestation and reforestation), ORS 315.138 (fish screening, by-pass devices, fishways), ORS 315.141  
35 (biomass production for biofuel), ORS 315.156 (crop gleaning), ORS 315.164 and 315.169 (agriculture  
36 workforce housing), ORS 315.176 (bovine manure), ORS 315.204 (dependent care assistance), ORS  
37 315.208 (dependent care facilities), ORS 315.213 (contributions for child care), ORS 315.237 (employee  
38 and dependent scholarships), ORS 315.271 (individual development accounts), ORS 315.304 (pollution  
39 control facility), ORS 315.326 (renewable energy development contributions), ORS 315.331 (energy  
40 conservation projects), ORS 315.336 (transportation projects), ORS 315.341 (renewable energy re-  
41 source equipment manufacturing facilities), ORS 315.354 and 469B.151 (energy conservation facili-  
42 ties), ORS 315.506 (tribal taxes on reservation enterprise zones and reservation partnership zones),  
43 ORS 315.507 (electronic commerce), ORS 315.514 (film production development contributions), ORS  
44 315.523 (employee training programs), ORS 315.533 (low income community jobs initiative), ORS  
45 315.593 (short line railroads), ORS 315.640 (university venture development funds), ORS 315.643

1 (Opportunity Grant Fund contributions), ORS 315.675 (Trust for Cultural Development Account  
 2 contributions), ORS 317.097 (loans for affordable housing), ORS 317.124 (long term enterprise zone  
 3 facilities), ORS 317.147 (loans for agriculture workforce housing), ORS 317.152 (qualified research  
 4 expenses) and ORS 317.154 (alternative qualified research expenses) and section 9, chapter 774,  
 5 Oregon Laws 2013 (alternative fuel vehicle contributions), section 2, chapter 34, Oregon Laws 2022  
 6 (small forest option), and section 8, chapter 115, Oregon Laws 2022 (agricultural overtime pay), **and**  
 7 **section 2 of this 2023 Act (battery-powered leaf blowers).**

8 **SECTION 4.** ORS 318.031, as amended by section 12, chapter 34, Oregon Laws 2022, and section  
 9 16, chapter 115, Oregon Laws 2022, is amended to read:

10 318.031. It being the intention of the Legislative Assembly that this chapter and ORS chapter  
 11 317 shall be administered as uniformly as possible (allowance being made for the difference in im-  
 12 position of the taxes), ORS 305.140 and 305.150, ORS chapter 314 and the following sections are in-  
 13 corporated into and made a part of this chapter: ORS 315.104, 315.141, 315.156, 315.176, 315.204,  
 14 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.506, 315.507, 315.523, 315.533, 315.593 and  
 15 315.643 and section 2, chapter 34, Oregon Laws 2022, and section 8, chapter 115, Oregon Laws 2022,  
 16 **and section 2 of this 2023 Act** (all only to the extent applicable to a corporation) and ORS chapter  
 17 317.

18 **SECTION 5.** **Section 2 of this 2023 Act applies to tax years beginning on or after January**  
 19 **1, 2024, and before January 1, 2030.**

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