

## HOUSE AMENDMENTS TO HOUSE BILL 3004

By COMMITTEE ON CLIMATE, ENERGY, AND ENVIRONMENT

April 4

1 In line 2 of the printed bill, after “energy” insert “; creating new provisions; amending ORS  
2 314.772 and 318.031; and prescribing an effective date”.

3 Delete lines 4 through 8 and insert:

4 **“SECTION 1. Sections 2 and 3 of this 2023 Act are added to and made a part of ORS  
5 chapter 315.**

6 **“SECTION 2. As used in this section and section 3 of this 2023 Act:**

7 **“(1) ‘Electric utility’ has the meaning given that term in ORS 757.600.**

8 **“(2) ‘Eligible generation facility’ means a facility that:**

9 **“(a)(A) Generates only nonemitting electricity derived from solar or wind energy; or**

10 **“(B) Provides energy storage; and**

11 **“(b) Is:**

12 **“(A) Owned in whole by a person or persons that are not an electric utility, an electric  
13 utility holding company, an affiliated interest or any combination thereof;**

14 **“(B) Sited in Oregon;**

15 **“(C) First placed in service on or after January 1, 2025; and**

16 **“(D) Covered by an interconnection agreement, entered into on or after January 1, 2024,  
17 with:**

18 **“(i) The Bonneville Power Administration; or**

19 **“(ii) An electric utility.**

20 **“(3) ‘Interconnection agreement’ means a contract, between an owner or operator of a  
21 transmission or distribution system and a person that owns an eligible generation facility,  
22 that governs the interconnection of an eligible generation facility to a transmission or dis-  
23 tribution system.**

24 **“(4) ‘Nonemitting electricity’ has the meaning given that term in ORS 469A.400.**

25 **“(5) ‘Placed in service’ means the date on which an eligible generation facility is ready  
26 and available to generate nonemitting electricity or provide energy storage.**

27 **“SECTION 3. (1) A credit against taxes that are otherwise due under ORS chapter 316  
28 or, if the taxpayer is a corporation, under ORS chapter 317 or 318 is allowed to a taxpayer  
29 that owns an eligible generation facility during the tax year.**

30 **“(2) The credit under this section shall, except as provided in subsection (3) of this sec-  
31 tion, equal the amount paid during the tax year by the owner of an eligible generation facility  
32 for transmission services, calculated as the sum of the amounts paid by the owner of the  
33 eligible generation facility to:**

34 **“(a) The Bonneville Power Administration or, to an electric utility, for transmission  
35 services for up to 600 megawatts of the eligible generation facility’s nameplate capacity; and**

1       “(b) Parties not described in paragraph (a) of this subsection.

2       “(3) The credit allowed under this section may not exceed:

3       “(a) For the tax year in which the eligible generation facility is first placed in service,  
4 and for each of the four subsequent consecutive tax years, the tax liability of the taxpayer  
5 for the tax year; and

6       “(b) For each of the 15 consecutive tax years following the final year described in para-  
7 graph (a) of this subsection, 75 percent of the tax liability of the taxpayer for the tax year.

8       “(4) Prior to claiming the credit allowed under this section, a taxpayer is required to  
9 receive written certification from the State Department of Energy that the taxpayer is the  
10 owner of an eligible generation facility.

11       “(5) Any tax credit otherwise allowable under this section that is not used by the tax-  
12 payer in a particular tax year may be carried forward and offset against the taxpayer’s tax  
13 liability for the next succeeding tax year. Any credit remaining unused in the next succeed-  
14 ing tax year may be carried forward and used in the second succeeding tax year, and likewise  
15 any credit not used in that second succeeding tax year may be carried forward and used in  
16 the third succeeding tax year but may not be carried forward for any tax year thereafter.

17       “(6) If a change in the tax year of the taxpayer occurs as described in ORS 314.085, or if  
18 the Department of Revenue terminates the taxpayer’s tax year under ORS 314.440, the credit  
19 allowed under this section shall be prorated or computed in a manner consistent with ORS  
20 314.085.

21       “(7) The Department of Revenue shall adopt rules for the purposes of this section, in-  
22 cluding policies and procedures for verifying taxpayer eligibility for the credit allowed under  
23 this section.

24       “(8) The State Department of Energy shall provide information to the Department of  
25 Revenue about all taxpayers that are eligible for a tax credit under this section, if required  
26 by ORS 315.058.

27       “SECTION 4. ORS 314.772, as amended by section 11, chapter 34, Oregon Laws 2022, and sec-  
28 tion 15, chapter 115, Oregon Laws 2022, is amended to read:

29       “314.772. (1) Except as provided in ORS 314.766 (5)(b), the tax credits allowed or allowable to  
30 a C corporation for purposes of ORS chapter 317 or 318 shall not be allowed to an S corporation.  
31 The business tax credits allowed or allowable for purposes of ORS chapter 316 shall be allowed or  
32 are allowable to the shareholders of the S corporation.

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

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

42       “(4) If the shareholder is a nonresident and there is a requirement applicable for the business  
43 tax credit that in the case of a nonresident the credit be allowed in the proportion provided in ORS  
44 316.117, then that provision shall apply to the nonresident shareholder.

45       “(5) As used in this section, ‘business tax credit’ means the following credits: ORS 315.104

1 (forestation and reforestation), ORS 315.138 (fish screening, by-pass devices, fishways), ORS 315.141  
2 (biomass production for biofuel), ORS 315.156 (crop gleaning), ORS 315.164 and 315.169 (agriculture  
3 workforce housing), ORS 315.176 (bovine manure), ORS 315.204 (dependent care assistance), ORS  
4 315.208 (dependent care facilities), ORS 315.213 (contributions for child care), ORS 315.237 (employee  
5 and dependent scholarships), ORS 315.271 (individual development accounts), ORS 315.304 (pollution  
6 control facility), ORS 315.326 (renewable energy development contributions), ORS 315.331 (energy  
7 conservation projects), ORS 315.336 (transportation projects), ORS 315.341 (renewable energy re-  
8 source equipment manufacturing facilities), ORS 315.354 and 469B.151 (energy conservation facili-  
9 ties), ORS 315.506 (tribal taxes on reservation enterprise zones and reservation partnership zones),  
10 ORS 315.507 (electronic commerce), ORS 315.514 (film production development contributions), ORS  
11 315.523 (employee training programs), ORS 315.533 (low income community jobs initiative), ORS  
12 315.593 (short line railroads), ORS 315.640 (university venture development funds), ORS 315.643  
13 (Opportunity Grant Fund contributions), ORS 315.675 (Trust for Cultural Development Account  
14 contributions), ORS 317.097 (loans for affordable housing), ORS 317.124 (long term enterprise zone  
15 facilities), ORS 317.147 (loans for agriculture workforce housing), ORS 317.152 (qualified research  
16 expenses) and ORS 317.154 (alternative qualified research expenses) and section 9, chapter 774,  
17 Oregon Laws 2013 (alternative fuel vehicle contributions), section 2, chapter 34, Oregon Laws 2022  
18 (small forest option), and section 8, chapter 115, Oregon Laws 2022 (agricultural overtime pay), **and**  
19 **section 3 of this 2023 Act (eligible generation facilities).**

20 “**SECTION 5.** ORS 318.031, as amended by section 12, chapter 34, Oregon Laws 2022, and sec-  
21 tion 16, chapter 115, Oregon Laws 2022, is amended to read:

22 “318.031. It being the intention of the Legislative Assembly that this chapter and ORS chapter  
23 317 shall be administered as uniformly as possible (allowance being made for the difference in im-  
24 position of the taxes), ORS 305.140 and 305.150, ORS chapter 314 and the following sections are in-  
25 corporated into and made a part of this chapter: ORS 315.104, 315.141, 315.156, 315.176, 315.204,  
26 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.506, 315.507, 315.523, 315.533, 315.593 and  
27 315.643 and section 2, chapter 34, Oregon Laws 2022, and section 8, chapter 115, Oregon Laws 2022,  
28 **and section 3 of this 2023 Act** (all only to the extent applicable to a corporation) and ORS chapter  
29 317.

30 “**SECTION 6. Section 3 of this 2023 Act applies:**

31 “(1) Notwithstanding ORS 315.037, to all tax years beginning on or after January 1, 2025;  
32 **and**

33 “(2) To eligible generation facilities first placed in service on or after January 1, 2025, and  
34 before January 1, 2031.

35 “**SECTION 7. This 2023 Act takes effect on the 91st day after the date on which the 2023**  
36 **regular session of the Eighty-second Legislative Assembly adjourns sine die.”**

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