

SB 927 A STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Action Date: 05/28/25

Action: Do pass with amendments and requesting referral to Tax Expenditures. (Printed A-Engrossed.)

Vote: 5-0-0-0

Yeas: 5 - McLane, Meek, Patterson, Starr, Taylor

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 4/23, 5/28

WHAT THE MEASURE DOES:

Creates personal and corporation income tax credit for electricity transmission. Defines eligible generation facility as a facility that generates only nonemitting electricity derived from solar or wind, or provides energy storage. Specifies eligible facility may not be owned by an electric utility. Requires facility to be in Oregon, and first placed in service January 1, 2026 or later. Specifies credit amount is the paid for electricity transmission services. Allows credit for amounts paid to Bonneville Power Administration for transmission up to 600 megawatts of eligible facility nameplate capacity, or any amount paid to another party. Limits credit to 100% of tax liability for first five years, and to 75% of tax liability for the following fifteen years. Allows unused credits to be carried forward for up to five succeeding tax years. Establishes process for credit certification. Allows Department of Energy to charge and collect a fee from taxpayers applying for certification. Limits potential tax credits allowed at the time of preliminary certification to a specified amount [left blank as a placeholder] for any biennium. Applies to tax years 2026 and later. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Competitiveness of renewable energy generation
- Economic development associated with renewable energy
- Energy grid resiliency
- Regional energy independence and regional transmission authorities
- Impact of tariffs
- Electricity prices

EFFECT OF AMENDMENT:

Replaces the bill.

BACKGROUND:

For businesses that store or generate electricity, transmission costs are a business expense deduction reducing taxable income by the amount of the costs. The value of a deduction is based on tax rates which range from 4.75 percent to 9.9 percent for individuals, and from 6.6 to 7.6 percent for corporations. This bill creates a tax credit that can be used instead of a deduction to reduce tax liability dollar-for-dollar up to the specified limit (100% of tax liability for five years, then 75% for the next fifteen years).

The credit applies to taxpayers that provide energy storage, or generate only nonemitting electricity derived from solar or wind energy. Nonemitting electricity is defined to include electricity generated in a manner that does not emit greenhouse gas into the atmosphere.