

## HOUSE AMENDMENTS TO HOUSE BILL 2095

By COMMITTEE ON REVENUE

May 23

1 On page 1 of the printed bill, line 2, after “revenue;” delete the rest of the line and insert  
2 “amending ORS 315.271, 315.518 and 317.097 and section 9, chapter 765, Oregon Laws 2007; and  
3 prescribing an effective date.”.

4 On page 2, delete lines 21 and 22 and insert:

5 “**SECTION 2.** ORS 317.097, as amended by section 25, chapter 75, Oregon Laws 2024, is  
6 amended to read:

7 “317.097. (1) As used in this section:

8 “(a) ‘Annual rate’ means the yearly interest rate specified on the note, and not the annual per-  
9 centage rate, if any, disclosed to the applicant to comply with the federal Truth in Lending Act.

10 “(b) ‘Bonds’ means a bond, as defined in ORS 286A.001, if issued on behalf of the Housing and  
11 Community Services Department, or bonds, as defined in ORS 456.055, if issued by a housing au-  
12 thority.

13 “(c) ‘Finance charge’ means the total of all interest, loan fees, interest on any loan fees financed  
14 by the lending institution, and other charges related to the cost of obtaining credit.

15 “(d) ‘Lending institution’ means any insured institution, as that term is defined in ORS 706.008,  
16 any mortgage banking company that maintains an office in this state or any community development  
17 corporation that is organized under the Oregon Nonprofit Corporation Law.

18 “(e) ‘Limited equity cooperative’ means a cooperative corporation formed under ORS chapter 62  
19 whose articles of incorporation, in addition to the other requirements of ORS chapter 62, prohibit  
20 members from selling their ownership interests:

21 “(A) To any person other than a low income person; or

22 “(B) For a sales price that exceeds the sum of:

23 “(i) The price the member paid for the ownership interest;

24 “(ii) The cost of any permanent improvements the member made to the housing unit during the  
25 member’s ownership;

26 “(iii) Any special assessments the member paid to the limited equity cooperative during the  
27 member’s ownership that were expended to make permanent improvements to the building in which  
28 the member’s housing unit is located; and

29 “(iv) A return on the amounts described in sub-subparagraphs (i) to (iii) of this subparagraph,  
30 computed from the year in which the respective amount was paid, that equals the greater of the  
31 result of adjusting each amount by the percentage increase, if any, in the Consumer Price Index for  
32 All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the  
33 United States Department of Labor, or of increasing each amount by three percent compounded  
34 annually.

35 “(f) ‘Manufactured dwelling park’ has the meaning given that term in ORS 446.003.

1 “(g) ‘Nonprofit corporation’ means a corporation that is exempt from income taxes under section  
2 501(c)(3) or (4) of the Internal Revenue Code as amended and in effect on December 31, 2023.

3 “(h) ‘Preservation project’ means housing that was previously developed as affordable housing  
4 with a contract for rent assistance from the United States Department of Housing and Urban De-  
5 velopment or the United States Department of Agriculture and that is being acquired by a spon-  
6 soring entity.

7 “(i) ‘Qualified assignee’ means any investor participating in the secondary market for real estate  
8 loans.

9 “(j) ‘Qualified borrower’ means any borrower that is a sponsoring entity that has a controlling  
10 interest in the real property that is financed by a qualified loan. A controlling interest includes a  
11 controlling interest in the general partner of a limited partnership that owns the real property.

12 “(k) ‘Qualified loan’ means:

13 “(A) A loan that meets the criteria stated in subsection (5) of this section or that is made to  
14 refinance a loan that meets the criteria described in subsection (5) of this section; or

15 “(B) The purchase by a lending institution of bonds, the proceeds of which are used to finance  
16 or refinance a loan that meets the criteria described in subsection (5) of this section.

17 “(L) ‘Sponsoring entity’ means a nonprofit corporation, nonprofit cooperative, state govern-  
18 mental entity, local unit of government as defined in ORS 466.706, housing authority or any other  
19 person, provided that the person has agreed to restrictive covenants imposed by a nonprofit corpo-  
20 ration, nonprofit cooperative, state governmental entity, local unit of government or housing au-  
21 thority.

22 “(2) The Department of Revenue shall allow a credit against taxes otherwise due under this  
23 chapter for the tax year to a lending institution that makes a qualified loan certified by the Housing  
24 and Community Services Department as provided in subsection (7) of this section. The amount of the  
25 credit is equal to the difference between:

26 “(a) The amount of finance charge charged by the lending institution during the tax year at an  
27 annual rate less than the market rate for a qualified loan [*that is made before January 1, 2026,*] that  
28 complies with the requirements of this section; and

29 “(b) The amount of finance charge that would have been charged during the tax year by the  
30 lending institution for the qualified loan for housing construction, development, acquisition or re-  
31 habilitation measured at the annual rate charged by the lending institution for nonsubsidized loans  
32 made under like terms and conditions at the time the qualified loan for housing construction, de-  
33 velopment, acquisition or rehabilitation is made.

34 “(3) The maximum amount of credit for the difference between the amounts described in sub-  
35 section (2)(a) and (b) of this section may not exceed four percent of the average unpaid balance of  
36 the qualified loan during the tax year for which the credit is claimed.

37 “(4) Any tax credit allowed under this section that is not used by the taxpayer in a particular  
38 year may be carried forward and offset against the taxpayer’s tax liability for the next succeeding  
39 tax year. Any credit remaining unused in the next succeeding tax year may be carried forward and  
40 used in the second succeeding tax year, and likewise, any credit not used in that second succeeding  
41 tax year may be carried forward and used in the third succeeding tax year, and any credit not used  
42 in that third succeeding tax year may be carried forward and used in the fourth succeeding tax year,  
43 and any credit not used in that fourth succeeding tax year may be carried forward and used in the  
44 fifth succeeding tax year, but may not be carried forward for any tax year thereafter.

45 “(5) To be eligible for the tax credit allowable under this section, a lending institution must

1 make a qualified loan by either purchasing bonds, the proceeds of which are used to finance or re-  
2 finance a loan that meets the criteria stated in this subsection, or making a loan directly to:

3 “(a) An individual or individuals who own a dwelling, participate in an owner-occupied commu-  
4 nity rehabilitation program and are certified by the local government or its designated agent as  
5 having an income level when the loan is made of 80 percent of the area median income or less;

6 “(b) A qualified borrower who:

7 “(A) Uses the loan proceeds to finance construction, development, acquisition or rehabilitation  
8 of housing, including housing in the form of a limited equity cooperative; and

9 “(B) Provides a written certification executed by the Housing and Community Services Depart-  
10 ment that the:

11 “(i) Housing created by the loan is or will be occupied by households earning 80 percent of the  
12 area median income or less; and

13 “(ii) Full amount of savings from the reduced interest rate provided by the lending institution  
14 is or will be passed on, in the form of reduced housing payments, to the tenants or to the holders  
15 of proprietary leases in a limited equity cooperative;

16 “(c) Subject to subsection (14) of this section, a qualified borrower who:

17 “(A) Uses the loan proceeds to finance construction, development, acquisition or rehabilitation  
18 of housing consisting of a manufactured dwelling park; and

19 “(B) Provides a written certification executed by the Housing and Community Services Depart-  
20 ment that the housing will continue to be operated as a manufactured dwelling park during the pe-  
21 riod for which the tax credit is allowed;

22 “(d) A qualified borrower who:

23 “(A) Uses the loan proceeds to finance acquisition or rehabilitation of housing consisting of a  
24 preservation project; and

25 “(B) Provides a written certification executed by the Housing and Community Services Depart-  
26 ment that the housing preserved by the loan:

27 “(i) Is or will be occupied by households earning 80 percent of the area median income or less;  
28 and

29 “(ii) Is the subject of a rent assistance contract with the United States Department of Housing  
30 and Urban Development or the United States Department of Agriculture that will be maintained by  
31 the qualified borrower; or

32 “(e) A qualified borrower who:

33 “(A) Uses the loan proceeds to finance construction, development, acquisition or rehabilitation  
34 of housing; and

35 “(B) Provides a written certification executed by the Housing and Community Services Depart-  
36 ment or the governmental party to the rent assistance contract that the housing preserved by the  
37 loan:

38 “(i) Is or will be occupied by households earning 80 percent of the area median income or less;  
39 and

40 “(ii) Is the subject of a rent assistance contract with the federal government or with a state or  
41 local government that will be maintained by the qualified borrower and that limits a tenant’s rent  
42 to no more than 30 percent of their income.

43 “(6) A loan made to refinance a loan that meets the criteria stated in subsection (5) of this  
44 section must be treated the same as a loan that meets the criteria stated in subsection (5) of this  
45 section.

1 “(7) For a qualified loan to be eligible for the tax credit allowable under this section, the  
2 Housing and Community Services Department must execute a written certification for the qualified  
3 loan that:

4 “(a) States that the qualified loan is within the limitation imposed by subsection (8) of this sec-  
5 tion; and

6 “(b) Specifies the period, as determined by the Housing and Community Services Department,  
7 during which the tax credit is allowed for the qualified loan, not to exceed:

8 “(A) 30 years, for a qualified loan with a contract for rent assistance or financing resources  
9 from the United States Department of Agriculture, for new housing construction, acquisition of  
10 housing or a preservation project; or

11 “(B) 20 years, for any other type of qualified loan.

12 “(8) The Housing and Community Services Department may certify qualified loans that are eli-  
13 gible under subsection (5) of this section if the total credits attributable to all qualified loans eligible  
14 for credits under this section and then outstanding do not exceed \$35 million for any fiscal year. In  
15 making loan certifications under subsection (7) of this section, the Housing and Community Services  
16 Department shall attempt to distribute the tax credits statewide, but shall concentrate the tax  
17 credits in those areas of the state that are determined by the Oregon Housing Stability Council to  
18 have the greatest need for affordable housing.

19 “(9) The tax credit provided for in this section may be taken whether or not:

20 “(a) The financial institution is eligible to take a federal income tax credit under section 42 of  
21 the Internal Revenue Code with respect to the project financed by the qualified loan; or

22 “(b) The project receives financing from bonds, the interest on which is exempt from federal  
23 taxation under section 103 of the Internal Revenue Code.

24 “(10) For a qualified loan defined in subsection (1)(k)(B) of this section financed through the  
25 purchase of bonds, the interest of which is exempt from federal taxation under section 103 of the  
26 Internal Revenue Code, the amount of finance charge that would have been charged under sub-  
27 section (2)(b) of this section is determined by reference to the finance charge that would have been  
28 charged if the federally tax exempt bonds had been issued and the tax credit under this section did  
29 not apply.

30 “(11) A lending institution may sell a qualified loan for which a certification has been executed  
31 to a qualified assignee whether or not the lending institution retains servicing of the qualified loan  
32 so long as a designated lending institution maintains records, annually verified by a loan servicer,  
33 that establish the amount of tax credit earned by the taxpayer throughout each year of eligibility.

34 “(12) Notwithstanding any other provision of law, a lending institution that is a community de-  
35 velopment corporation organized under the Oregon Nonprofit Corporation Law may transfer all or  
36 part of a tax credit allowed under this section to one or more other lending institutions that are  
37 stockholders or members of the community development corporation or that otherwise participate  
38 through the community development corporation in the making of one or more qualified loans for  
39 which the tax credit under this section is allowed.

40 “(13) The lending institution shall file an annual statement with the Housing and Community  
41 Services Department, specifying that it has conformed with all requirements imposed by law to  
42 qualify for a tax credit under this section.

43 “(14) Notwithstanding subsection (1)(j) and (L) of this section, a qualified borrower on a loan to  
44 finance the construction, development, acquisition or rehabilitation of a manufactured dwelling park  
45 under subsection (5)(c) of this section must be:

1 “(a) A nonprofit corporation, manufactured dwelling park nonprofit cooperative, state govern-  
2 mental entity, local unit of government as defined in ORS 466.706 or housing authority; or

3 “(b) A nonprofit corporation or housing authority that has a controlling interest in the real  
4 property that is financed by a qualified loan. A controlling interest includes a controlling interest  
5 in the general partner of a limited partnership that owns the real property.

6 “(15) The Department of Revenue may require that a lending institution that has earned the  
7 credit and a lending institution that intends to claim the credit jointly file a notice, as prescribed  
8 by the Department of Revenue. The notice must comply with ORS 315.056 (2) or 315.058 (2).

9 “(16) The Housing and Community Services Department shall provide information to the De-  
10 partment of Revenue about all certifications executed under this section, if required by ORS 315.058.

11 “(17) The Housing and Community Services Department and the Department of Revenue may  
12 adopt rules to carry out the provisions of this section.

13 “**SECTION 3.** ORS 315.271 is amended to read:

14 “315.271. (1) A credit against taxes otherwise due under ORS chapter 316, 317 or 318 shall be  
15 allowed for donations to a fiduciary organization for distribution to individual development accounts  
16 established under ORS 458.685. The credit shall equal a percentage of the taxpayer’s donation  
17 amount, as determined by the fiduciary organization, but not to exceed 90 percent of any donation  
18 amount. A credit may be claimed for a donation made not later than April 15 following December  
19 31 of the tax year for which the credit is allowed. *[To qualify for a credit under this section, do-*  
20 *nations to a fiduciary organization must be made prior to April 15, 2028.]*

21 “(2) If a credit allowed under this section is claimed, the amount upon which the credit is based  
22 that is allowed or allowable as a deduction from federal taxable income under section 170 of the  
23 Internal Revenue Code shall be added to federal taxable income in determining Oregon taxable in-  
24 come. As used in this subsection, the amount upon which a credit is based is the allowed credit di-  
25 vided by the applicable percentage, as determined by the fiduciary organization.

26 “(3) The allowable tax credit that may be used in any one tax year shall not exceed the tax li-  
27 ability of the taxpayer.

28 “(4) Any tax credit otherwise allowable under this section that is not used by the taxpayer in  
29 a particular year may be carried forward and offset against the taxpayer’s tax liability for the next  
30 succeeding tax year. Any tax credit remaining unused in the next succeeding tax year may be car-  
31 ried forward and used in the second succeeding tax year. Any tax credit not used in the second  
32 succeeding tax year may be carried forward and used in the third succeeding tax year, but may not  
33 be carried forward for any tax year thereafter.

34 “(5) The total credits allowed to all taxpayers in any tax year under this section and ORS  
35 458.690 may not exceed \$7.5 million. The total credit allowed to a taxpayer in any tax year under  
36 this section and ORS 458.690 may not exceed \$500,000.

37 “**SECTION 4.** Section 9, chapter 765, Oregon Laws 2007, as amended by section 7, chapter 701,  
38 Oregon Laws 2015, section 7, chapter 525, Oregon Laws 2021, and section 16, chapter 490, Oregon  
39 Laws 2023, is amended to read:

40 “**Sec. 9.** (1) A credit may not be claimed under ORS 315.271 and 458.690 for tax years beginning  
41 on or after January 1, 2030.

42 “(2) **For a taxpayer to qualify for a credit under ORS 315.271, donations to a fiduciary**  
43 **organization must be made prior to April 15, 2030.**

44 “[2)] (3) The amendments to ORS 315.271 by section 6, chapter 525, Oregon Laws 2021, apply  
45 to tax years beginning on or after January 1, 2022, and before January 1, 2030.

1       **SECTION 5. This 2025 Act takes effect on the 91st day after the date on which the 2025**  
2       **regular session of the Eighty-third Legislative Assembly adjourns sine die.”.**  
3       \_\_\_\_\_