

# House Bill 2194

Sponsored by Representative RESCHKE (Pre-session filed.)

## 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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Makes tax credit for training program for person who works at hotel or inn to be aware of and report when they see human trafficking. Becomes law 91 days from sine die. (Flesch Readability Score: 74.2).

Creates an income tax credit for providing employees of hotels and inns human trafficking awareness training. Applies to tax years beginning on or after January 1, 2027, and before January 1, 2033.

Takes effect on the 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to the Oregon Hotels Against Human Trafficking Training Program; creating new pro-  
3 visions; amending ORS 314.772 and 318.031; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

### **SECTION 1. (1) As used in this section:**

5 (a) "Hotel" or "inn" has the meaning given those terms in ORS 699.005.

6 (b) "Human trafficking" means conduct constituting an offense under ORS 163.263,  
7 163.264 or 163.266.

8 (c) "Human trafficking victim" means a person who is subjected to human trafficking  
9 regardless of whether the perpetrator of the human trafficking is identified, apprehended,  
10 prosecuted or convicted.

11 (2) No later than January 1, 2027, the Department of Justice shall establish the Oregon  
12 Hotels Against Human Trafficking Training Program. The purpose of the program is to de-  
13 velop a model training on recognizing, preventing and reporting human trafficking.

14 (3) The department shall make the model training available on the department's website  
15 for a person acting on behalf of a hotel or inn to use in providing training to employees of  
16 a hotel or inn who the person determines are likely to come into contact with potential hu-  
17 man trafficking victims and any other employees the person determines should attend the  
18 training.

19 **SECTION 2.** Section 1 of this 2025 Act is amended to read:

20 **Sec. 1.** (1) As used in this section:

21 (a) "Hotel" or "inn" has the meaning given those terms in ORS 699.005.

22 (b) "Human trafficking" means conduct constituting an offense under ORS 163.263, 163.264 or  
23 163.266.

24 (c) "Human trafficking victim" means a person who is subjected to human trafficking regardless  
25 of whether the perpetrator of the human trafficking is identified, apprehended, prosecuted or con-  
26 victed.

27 (2) [*No later than January 1, 2027,*] The Department of Justice shall establish the Oregon Hotels  
28

**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 Against Human Trafficking Training Program. The purpose of the program is to develop a model  
 2 training on recognizing, preventing and reporting human trafficking.

3 (3) The department shall make the model training available on the department’s website for a  
 4 person acting on behalf of a hotel or inn to use in providing training to employees of a hotel or inn  
 5 who the person determines are likely to come into contact with potential human trafficking victims  
 6 and any other employees the person determines should attend the training.

7 **SECTION 3. The amendments to section 1 of this 2025 Act by section 2 of this 2025 Act**  
 8 **become operative on January 1, 2027.**

9 **SECTION 4. Section 5 of this 2025 Act is added to and made a part of ORS chapter 315.**

10 **SECTION 5. (1) As used in this section:**

11 (a) “Hotel” or “inn” has the meaning given those terms in ORS 699.005.

12 (b) “Human trafficking” means conduct constituting an offense under ORS 163.263,  
 13 163.264 or 163.266.

14 (c) “Human trafficking training program” means the human trafficking training program  
 15 developed by the Department of Justice under section 1 of this 2025 Act.

16 (d) “Human trafficking victim” means a person who is subjected to human trafficking  
 17 regardless of whether the perpetrator of the human trafficking is identified, apprehended,  
 18 prosecuted or convicted.

19 (2) A credit against taxes that are otherwise due under ORS chapter 316 or, if the tax-  
 20 payer is a corporation, under ORS chapter 317 or 318, is allowed to a taxpayer who estab-  
 21 lishes and implements a human trafficking training program in accordance with section 1  
 22 of this 2025 Act.

23 (3) The credit allowed under this section shall be equal to 12 percent of the taxpayer’s  
 24 expenses to establish and implement the human trafficking training program described in  
 25 subsection (2) of this section.

26 (4) For each tax year for which a credit is claimed under this section, the taxpayer shall  
 27 maintain records sufficient to prove the taxpayer’s eligibility for the credit allowed under  
 28 this section. A taxpayer shall maintain the records required under this subsection for at  
 29 least five years.

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

32 (6) Any tax credit otherwise allowable under this section that is not used by the taxpayer  
 33 in a particular tax year may be carried forward and offset against the taxpayer’s tax liability  
 34 for the next succeeding tax year. Any credit remaining unused in the next succeeding tax  
 35 year may be carried forward and used in the second succeeding tax year, and likewise any  
 36 credit not used in that second succeeding tax year may be carried forward and used in the  
 37 third succeeding tax year, but may not be carried forward for any tax year thereafter.

38 (7) A nonresident taxpayer shall be allowed the credit under this section. The credit shall  
 39 be computed in the same manner and be subject to the same limitations as the credit  
 40 granted to a resident taxpayer. However, the credit shall be prorated using the proportion  
 41 provided in ORS 316.117.

42 (8) If a change in the taxable year of the taxpayer occurs as described in ORS 314.085,  
 43 or if the Department of Revenue terminates the taxpayer’s taxable year under ORS 314.440,  
 44 the credit allowed by this section shall be prorated or computed in a manner consistent with  
 45 ORS 314.085.

1       **(9) If a change in the status of a taxpayer from resident to nonresident or from nonres-**  
 2 **ident to resident occurs, the credit allowed by this section shall be determined in a manner**  
 3 **consistent with ORS 316.117.**

4       **(10) Spouses in a marriage who file separate returns for a taxable year may each claim**  
 5 **a share of the tax credit that would have been allowed on a joint return in proportion to the**  
 6 **adjusted gross income of each.**

7       **SECTION 6.** ORS 314.772 is amended to read:

8       314.772. (1) Except as provided in ORS 314.766 (5)(b), the tax credits allowed or allowable to a  
 9 C corporation for purposes of ORS chapter 317 or 318 shall not be allowed to an S corporation. The  
 10 business tax credits allowed or allowable for purposes of ORS chapter 316 shall be allowed or are  
 11 allowable to the shareholders of the S corporation.

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

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

21       (4) If the shareholder is a nonresident and there is a requirement applicable for the business tax  
 22 credit that in the case of a nonresident the credit be allowed in the proportion provided in ORS  
 23 316.117, then that provision shall apply to the nonresident shareholder.

24       (5) As used in this section, "business tax credit" means the following credits: ORS 315.104  
 25 (forestation and reforestation), ORS 315.124 (small forest option), ORS 315.133 (agricultural overtime  
 26 pay), ORS 315.138 (fish screening, by-pass devices, fishways), ORS 315.141 (biomass production for  
 27 biofuel), ORS 315.156 (crop gleaning), ORS 315.164 and 315.169 (agriculture workforce housing), ORS  
 28 315.176 (bovine manure), ORS 315.204 (dependent care assistance), ORS 315.208 (dependent care fa-  
 29 cilities), ORS 315.213 (contributions for child care), ORS 315.237 (employee and dependent scholar-  
 30 ships), ORS 315.271 (individual development accounts), ORS 315.283 (affordable housing sales), ORS  
 31 315.304 (pollution control facility), ORS 315.326 (renewable energy development contributions), ORS  
 32 315.331 (energy conservation projects), ORS 315.336 (transportation projects), ORS 315.341  
 33 (renewable energy resource equipment manufacturing facilities), ORS 315.354 and 469B.151 (energy  
 34 conservation facilities), ORS 315.506 (tribal taxes on reservation enterprise zones and reservation  
 35 partnership zones), ORS 315.507 (electronic commerce), ORS 315.514 (film production development  
 36 contributions), ORS 315.518 (semiconductors), ORS 315.523 (employee training programs), ORS  
 37 315.533 (low income community jobs initiative), ORS 315.593 (short line railroads), ORS 315.640  
 38 (university venture development funds), ORS 315.643 (Opportunity Grant Fund contributions), ORS  
 39 315.675 (Trust for Cultural Development Account contributions), ORS 317.097 (loans for affordable  
 40 housing), ORS 317.124 (long term enterprise zone facilities), ORS 317.147 (loans for agriculture  
 41 workforce housing), ORS 317.152 (qualified research expenses) and ORS 317.154 (alternative qualified  
 42 research expenses) and section 9, chapter 774, Oregon Laws 2013 (alternative fuel vehicle contribu-  
 43 tions), **and section 5 of this 2025 Act (human trafficking training program).**

44       **SECTION 7.** ORS 318.031 is amended to read:

45       318.031. It being the intention of the Legislative Assembly that this chapter and ORS chapter

1 317 shall be administered as uniformly as possible (allowance being made for the difference in im-  
2 position of the taxes), ORS 305.140 and 305.150, ORS chapter 314 and the following sections are in-  
3 corporated into and made a part of this chapter: ORS 315.104, 315.124, 315.133, 315.141, 315.156,  
4 315.176, 315.204, 315.208, 315.213, 315.283, 315.304, 315.326, 315.331, 315.336, 315.506, 315.507, 315.523,  
5 315.533, 315.593 and 315.643 **and section 5 of this 2025 Act** (all only to the extent applicable to a  
6 corporation) and ORS chapter 317.

7 **SECTION 8. Section 5 of this 2025 Act applies to tax years beginning on or after January**  
8 **1, 2027, and before January 1, 2033.**

9 **SECTION 9. This 2025 Act takes effect on the 91st day after the date on which the 2025**  
10 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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