

House Bill 3747

Sponsored by Representatives LIVELY, HUDSON

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: The Act makes a new tax credit for the purchase of solar energy equipment. (Flesch Readability Score: 65.7).

Establishes a refundable income tax credit for the purchase of battery energy storage systems and solar photovoltaic electric systems.

Applies to tax years beginning on or after January 1, 2026, and before January 1, 2032.

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

A BILL FOR AN ACT

1
2 Relating to an income tax credit for solar energy systems; and prescribing an effective date.

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

4 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 315.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **"Battery energy storage system" means a battery energy storage system as defined**
7 **in ORS 469.300, except that the system must be intended for personal, noncommercial use.**

8 (b) **"Pair" means pairing a battery energy storage system with a solar photovoltaic elec-**
9 **tric system such that the battery energy storage system provides storage capacity for elec-**
10 **trical energy produced by the solar photovoltaic electric system.**

11 (c) **"Solar photovoltaic electric system" means a solar electric system, as defined in**
12 **section 1, chapter 655, Oregon Laws 2019, that is a photovoltaic system.**

13 (2)(a) **A credit against taxes that are otherwise due under ORS chapter 316 shall be al-**
14 **lowed for the purchase of battery energy storage systems and solar photovoltaic electric**
15 **systems.**

16 (b) **In order to claim a credit under this section for the purchase of a battery energy**
17 **storage system, the battery energy storage system must be paired at the time of installation**
18 **with a solar photovoltaic electric system.**

19 (3) **The total amount of the credit allowed under this section for purchases made during**
20 **the tax year shall be:**

21 (a) **For one solar photovoltaic electric system, \$1,000.**

22 (b) **For one battery energy storage system, \$2,500.**

23 (c) **For both a solar photovoltaic electric system and a battery energy storage system;**
24 **\$3,500.**

25 (4) **The State Department of Energy may adopt rules relating to the administration and**
26 **enforcement of this section. The department shall prescribe a form on which the taxpayer**
27 **may substantiate that the individual qualifies for the credit allowed under this section.**

28 (5) **If the amount allowable as a credit under this section, when added to the sum of the**

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 amounts allowable as payment of tax under ORS 316.187 or 316.583, other tax prepayment
2 amounts and other refundable credit amounts, exceeds the taxes imposed by ORS chapters
3 314 and 316 for the tax year after application of any nonrefundable credits allowable for
4 purposes of ORS chapter 316 for the tax year, the amount of the excess shall be refunded to
5 the taxpayer as provided in ORS 316.502.

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

10 SECTION 3. Section 2 of this 2025 Act applies to tax years beginning on or after January
11 1, 2026, and before January 1, 2032.

12 SECTION 4. This 2025 Act takes effect on the 91st day after the date on which the 2025
13 regular session of the Eighty-third Legislative Assembly adjourns sine die.

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