

## SENATE AMENDMENTS TO SENATE BILL 927

By COMMITTEE ON FINANCE AND REVENUE

June 2

1 On page 1 of the printed bill, line 2, after “provisions;” delete the rest of the line and line 3 and  
2 insert “and amending ORS 314.772 and 318.031.”.

3 Delete lines 5 through 26 and delete pages 2 and 3 and insert:

4 “**SECTION 1. Sections 2 to 7 of this 2025 Act are added to and made a part of ORS**  
5 **chapter 315.**

6 “**SECTION 2. As used in sections 2 to 7 of this 2025 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; and

15 “(C) First placed in service on or after January 1, 2026.

16 “(3) ‘Nonemitting electricity’ has the meaning given that term in ORS 469A.400.

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

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

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

26 “(a) The Bonneville Power Administration or to an electric utility for transmission ser-  
27 vices for up to 600 megawatts of the eligible generation facility’s nameplate capacity; and

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

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

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

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

35 “(4) To claim a credit allowed under this section, a taxpayer is required to first receive

1 a final written certification from the State Department of Energy under section 5 of this 2025  
2 Act.

3 “(5) Any tax credit otherwise allowable under this section that is not used by the tax-  
4 payer in a particular tax year may be carried forward and offset against the taxpayer’s tax  
5 liability for the next succeeding tax year. Any credit remaining unused in that next suc-  
6 ceeding tax year may be carried forward and used in the second succeeding tax year, and  
7 likewise, any credit not used in that second succeeding tax year may be carried forward and  
8 used in the third succeeding tax year, and likewise, any credit not used in that third suc-  
9 ceeding tax year may be carried forward and used in the fourth succeeding tax year, and  
10 likewise, any credit not used in that fourth succeeding tax year may be carried forward and  
11 used in the fifth succeeding tax year but may not be carried forward for any tax year  
12 thereafter.

13 “(6) The Department of Revenue may by rule require that the State Department of En-  
14 ergy provide information about a preliminary certification issued under section 4 of this 2025  
15 Act, including the name and taxpayer identification number of the taxpayer or other person  
16 receiving certification, the date the certification was issued in its final form, the approved  
17 amount of credit and the first tax year for which the credit may be claimed.

18 “(7) The Department of Revenue shall prescribe by rule the manner and the timing of  
19 submission of the information described in subsection (6) of this section to the department.

20 “(8) The credit shall be claimed on a form prescribed by the Department of Revenue that  
21 contains the information required by the department.

22 “(9) In the case of a credit allowed under this section:

23 “(a) A nonresident shall be allowed the credit under this section in the proportion pro-  
24 vided in ORS 316.117.

25 “(b) If a change in the status of a taxpayer from resident to nonresident or from non-  
26 resident to resident occurs, the credit allowed by this section shall be determined in a man-  
27 ner consistent with ORS 316.117.

28 “(c) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or  
29 if the Department of Revenue terminates a taxpayer’s taxable year under ORS 314.440, the  
30 credit allowed under this section shall be prorated or computed in a manner consistent with  
31 ORS 314.085.

32 “(10) The Director of the State Department of Energy may order the suspension or re-  
33 vocation of a certification issued under section 4 or 5 of this 2025 Act, as provided in ORS  
34 315.061.

35 “SECTION 4. (1) A taxpayer may apply to the State Department of Energy for a prelim-  
36 inary certification of an eligible generation facility and may apply prior to, during or after  
37 construction of the facility. A taxpayer must apply in the manner prescribed by rules adopted  
38 under this section. The rules must include:

39 “(a) A description of the information required by the department to determine that the  
40 taxpayer qualifies for the tax credit allowed under section 3 of this 2025 Act;

41 “(b) Criteria for determining the amount of the tax credit allowed under section 3 of this  
42 2025 Act, including standards for what constitutes completion of an eligible generation facil-  
43 ity;

44 “(c) The process by which an applicant will be notified of an incomplete application and  
45 the time allowed for the applicant to provide the missing information; and

1       “(d) The month and date by which the department must notify an applicant of the pre-  
2       liminary certification decision and the potential amount of the tax credit for which the ap-  
3       plicant has received preliminary certification.

4       “(2) If the department must allocate tax credits to a group of taxpayers in an amount  
5       that is less than the amount the taxpayers would otherwise receive under section 3 of this  
6       2025 Act, the department shall divide the available tax credits among the group propor-  
7       tionally, based on the amount each taxpayer would have otherwise received under section 3  
8       of this 2025 Act.

9       “SECTION 5. (1) A taxpayer may apply to the State Department of Energy for final cer-  
10      tification of an eligible generation facility if:

11      “(a) The taxpayer received preliminary certification for the facility under section 4 of this  
12      2025 Act; and

13      “(b) The facility is complete.

14      “(2) After approving the application, the department shall certify the facility, including  
15      the amount of the tax credit for which the taxpayer has received final certification. The de-  
16      partment may not certify an amount that is more than the amount approved in the prelim-  
17      inary certification for the facility.

18      “(3) The department may establish by rule a process for accepting applications and issu-  
19      ing final certifications under this section.

20      “SECTION 6. (1) The State Department of Energy may charge and collect a fee from  
21      taxpayers for preliminary or final certification of an eligible generation facility under  
22      sections 4 and 5 of this 2025 Act. The fee may not exceed the cost to the department of is-  
23      suing certifications.

24      “(2) All fees collected under this section shall be deposited in the State Treasury and  
25      credited to the department. Moneys deposited under this section are continuously appro-  
26      priated to the department for the purpose of administering and enforcing the provisions of  
27      sections 2 to 8 of this 2025 Act.

28      “SECTION 7. The total amount of potential tax credits allowed under section 3 of this  
29      2025 Act at the time of preliminary certification under section 4 of this 2025 Act may not  
30      exceed \$\_\_\_\_\_ million for any biennium.

31      “SECTION 8. ORS 314.772 is amended to read:

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

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

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

45      “(4) If the shareholder is a nonresident and there is a requirement applicable for the business

1 tax credit that in the case of a nonresident the credit be allowed in the proportion provided in ORS  
2 316.117, then that provision shall apply to the nonresident shareholder.

3 “(5) As used in this section, ‘business tax credit’ means the following credits: ORS 315.104  
4 (forestation and reforestation), ORS 315.124 (small forest option), ORS 315.133 (agricultural overtime  
5 pay), ORS 315.138 (fish screening, by-pass devices, fishways), ORS 315.141 (biomass production for  
6 biofuel), ORS 315.156 (crop gleaning), ORS 315.164 and 315.169 (agriculture workforce housing), ORS  
7 315.176 (bovine manure), ORS 315.204 (dependent care assistance), ORS 315.208 (dependent care fa-  
8 cilities), ORS 315.213 (contributions for child care), ORS 315.237 (employee and dependent scholar-  
9 ships), ORS 315.271 (individual development accounts), ORS 315.283 (affordable housing sales), ORS  
10 315.304 (pollution control facility), ORS 315.326 (renewable energy development contributions), ORS  
11 315.331 (energy conservation projects), ORS 315.336 (transportation projects), ORS 315.341  
12 (renewable energy resource equipment manufacturing facilities), ORS 315.354 and 469B.151 (energy  
13 conservation facilities), ORS 315.506 (tribal taxes on reservation enterprise zones and reservation  
14 partnership zones), ORS 315.507 (electronic commerce), ORS 315.514 (film production development  
15 contributions), ORS 315.518 (semiconductors), ORS 315.523 (employee training programs), ORS  
16 315.533 (low income community jobs initiative), ORS 315.593 (short line railroads), ORS 315.640  
17 (university venture development funds), ORS 315.643 (Opportunity Grant Fund contributions), ORS  
18 315.675 (Trust for Cultural Development Account contributions), ORS 317.097 (loans for affordable  
19 housing), ORS 317.124 (long term enterprise zone facilities), ORS 317.147 (loans for agriculture  
20 workforce housing), ORS 317.152 (qualified research expenses) and ORS 317.154 (alternative qualified  
21 research expenses) and section 9, chapter 774, Oregon Laws 2013 (alternative fuel vehicle contribu-  
22 tions), **and section 3 of this 2025 Act (eligible generation facilities).**

23 **“SECTION 9.** ORS 318.031 is amended to read:

24 “318.031. It being the intention of the Legislative Assembly that this chapter and ORS chapter  
25 317 shall be administered as uniformly as possible (allowance being made for the difference in im-  
26 position of the taxes), ORS 305.140 and 305.150, ORS chapter 314 and the following sections are in-  
27 corporated into and made a part of this chapter: ORS 315.104, 315.124, 315.133, 315.141, 315.156,  
28 315.176, 315.204, 315.208, 315.213, 315.283, 315.304, 315.326, 315.331, 315.336, 315.506, 315.507, 315.523,  
29 315.533, 315.593 and 315.643 **and section 3 of this 2025 Act** (all only to the extent applicable to a  
30 corporation) and ORS chapter 317.

31 **“SECTION 10. Sections 2 to 7 of this 2025 Act apply to all tax years beginning on or after**  
32 **January 1, 2026.”.**