

SB 927-2
(LC 3142)
5/13/25 (CPA/ps)

Requested by Senator MEEK

**PROPOSED AMENDMENTS TO
SENATE BILL 927**

On page 1 of the printed bill, delete lines 5 through 26 and delete pages 2 and 3 and insert:

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

“SECTION 2. As used in sections 2 to 7 of this 2025 Act:

“(1) ‘Electric utility’ has the meaning given that term in ORS 757.600.

“(2) ‘Eligible generation facility’ means a facility that:

“(a)(A) Generates only nonemitting electricity derived from solar or wind energy; or

“(B) Provides energy storage; and

“(b) Is:

“(A) Owned in whole by a person or persons that are not an electric utility, an electric utility holding company, an affiliated interest or any combination thereof;

“(B) Sited in Oregon; and

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

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

“(4) ‘Placed in service’ means the date on which an eligible generation facility is ready and available to generate nonemitting electricity

1 or provide energy storage.

2 **“SECTION 3. (1) A credit against taxes that are otherwise due under**
3 **ORS chapter 316 or, if the taxpayer is a corporation, under ORS**
4 **chapter 317 or 318 is allowed to a taxpayer that owns an eligible gen-**
5 **eration facility during the tax year.**

6 **“(2) The credit under this section shall, except as provided in sub-**
7 **section (3) of this section, equal the amount paid during the tax year**
8 **by the owner of an eligible generation facility for transmission ser-**
9 **vices, calculated as the sum of the amounts paid by the owner of the**
10 **eligible generation facility to:**

11 **“(a) The Bonneville Power Administration or to an electric utility**
12 **for transmission services for up to 600 megawatts of the eligible gen-**
13 **eration facility’s nameplate capacity; and**

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

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

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

19 **“(b) For each of the 15 consecutive tax years following the final**
20 **year described in paragraph (a) of this subsection, 75 percent of the**
21 **tax liability of the taxpayer for the tax year.**

22 **“(4) To claim a credit allowed under this section, a taxpayer is re-**
23 **quired to first receive a final written certification from the State De-**
24 **partment of Energy under section 5 of this 2025 Act.**

25 **“(5) Any tax credit otherwise allowable under this section that is**
26 **not used by the taxpayer in a particular tax year may be carried for-**
27 **ward and offset against the taxpayer’s tax liability for the next suc-**
28 **ceeding tax year. Any credit remaining unused in that next succeeding**
29 **tax year may be carried forward and used in the second succeeding tax**
30 **year, and likewise, any credit not used in that second succeeding tax**

1 year may be carried forward and used in the third succeeding tax year,
2 and likewise, any credit not used in that third succeeding tax year
3 may be carried forward and used in the fourth succeeding tax year,
4 and likewise, any credit not used in that fourth succeeding tax year
5 may be carried forward and used in the fifth succeeding tax year but
6 may not be carried forward for any tax year thereafter.

7 “(6) The Department of Revenue may by rule require that the State
8 Department of Energy provide information about a preliminary certi-
9 fication issued under section 4 of this 2025 Act, including the name and
10 taxpayer identification number of the taxpayer or other person re-
11 ceiving certification, the date the certification was issued in its final
12 form, the approved amount of credit and the first tax year for which
13 the credit may be claimed.

14 “(7) The Department of Revenue shall prescribe by rule the manner
15 and the timing of submission of the information described in sub-
16 section (6) of this section to the department.

17 “(8) The credit shall be claimed on a form prescribed by the De-
18 partment of Revenue that contains the information required by the
19 department.

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

21 “(a) A nonresident shall be allowed the credit under this section in
22 the proportion provided in ORS 316.117.

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

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

1 **ORS 314.085.**

2 **“(10) The Director of the State Department of Energy may order the**
3 **suspension or revocation of a certification issued under section 4 or 5**
4 **of this 2025 Act, as provided in ORS 315.061.**

5 **“SECTION 4. (1) A taxpayer may apply to the State Department of**
6 **Energy for a preliminary certification of an eligible generation facility**
7 **and may apply prior to, during or after construction of the facility. A**
8 **taxpayer must apply in the manner prescribed by rules adopted under**
9 **this section. The rules must include:**

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

13 **“(b) Criteria for determining the amount of the tax credit allowed**
14 **under section 3 of this 2025 Act, including standards for what consti-**
15 **tutes completion of an eligible generation facility;**

16 **“(c) The process by which an applicant will be notified of an in-**
17 **complete application and the time allowed for the applicant to provide**
18 **the missing information; and**

19 **“(d) The month and date by which the department must notify an**
20 **applicant of the preliminary certification decision and the potential**
21 **amount of the tax credit for which the applicant has received prelim-**
22 **inary certification.**

23 **“(2) If the department must allocate tax credits to a group of tax-**
24 **payers in an amount that is less than the amount the taxpayers would**
25 **otherwise receive under section 3 of this 2025 Act, the department shall**
26 **divide the available tax credits among the group proportionally, based**
27 **on the amount each taxpayer would have otherwise received under**
28 **section 3 of this 2025 Act.**

29 **“SECTION 5. (1) A taxpayer may apply to the State Department of**
30 **Energy for final certification of an eligible generation facility if:**

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

3 “(b) The facility is complete.

4 “(2) After approving the application, the department shall certify
5 the facility, including the amount of the tax credit for which the tax-
6 payer has received final certification. The department may not certify
7 an amount that is more than the amount approved in the preliminary
8 certification for the facility.

9 “(3) The department may establish by rule a process for accepting
10 applications and issuing final certifications under this section.

11 “SECTION 6. (1) The State Department of Energy may charge and
12 collect a fee from taxpayers for preliminary or final certification of
13 an eligible generation facility under sections 4 and 5 of this 2025 Act.
14 The fee may not exceed the cost to the department of issuing certifi-
15 cations.

16 “(2) All fees collected under this section shall be deposited in the
17 State Treasury and credited to the department. Moneys deposited
18 under this section are continuously appropriated to the department for
19 the purpose of administering and enforcing the provisions of sections
20 2 to 8 of this 2025 Act.

21 “SECTION 7. The total amount of potential tax credits allowed un-
22 der section 3 of this 2025 Act at the time of preliminary certification
23 under section 4 of this 2025 Act may not exceed \$_____ million for
24 any biennium.

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

26 “314.772. (1) Except as provided in ORS 314.766 (5)(b), the tax credits al-
27 lowed or allowable to a C corporation for purposes of ORS chapter 317 or
28 318 shall not be allowed to an S corporation. The business tax credits al-
29 lowed or allowable for purposes of ORS chapter 316 shall be allowed or are
30 allowable to the shareholders of the S corporation.

1 “(2) In determining the tax imposed under ORS chapter 316, as provided
2 under ORS 314.763, on income of the shareholder of an S corporation, there
3 shall be taken into account the shareholder’s pro rata share of business tax
4 credit (or item thereof) that would be allowed to the corporation (but for
5 subsection (1) of this section) or recapture or recovery thereof. The credit (or
6 item thereof), recapture or recovery shall be passed through to shareholders
7 in pro rata shares as determined in the manner prescribed under section
8 1377(a) of the Internal Revenue Code.

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

13 “(4) If the shareholder is a nonresident and there is a requirement appli-
14 cable for the business tax credit that in the case of a nonresident the credit
15 be allowed in the proportion provided in ORS 316.117, then that provision
16 shall apply to the nonresident shareholder.

17 “(5) As used in this section, ‘business tax credit’ means the following
18 credits: ORS 315.104 (forestation and reforestation), ORS 315.124 (small forest
19 option), ORS 315.133 (agricultural overtime pay), ORS 315.138 (fish screening,
20 by-pass devices, fishways), ORS 315.141 (biomass production for biofuel), ORS
21 315.156 (crop gleaning), ORS 315.164 and 315.169 (agriculture workforce
22 housing), ORS 315.176 (bovine manure), ORS 315.204 (dependent care assist-
23 ance), ORS 315.208 (dependent care facilities), ORS 315.213 (contributions for
24 child care), ORS 315.237 (employee and dependent scholarships), ORS 315.271
25 (individual development accounts), ORS 315.283 (affordable housing sales),
26 ORS 315.304 (pollution control facility), ORS 315.326 (renewable energy de-
27 velopment contributions), ORS 315.331 (energy conservation projects), ORS
28 315.336 (transportation projects), ORS 315.341 (renewable energy resource
29 equipment manufacturing facilities), ORS 315.354 and 469B.151 (energy con-
30 servation facilities), ORS 315.506 (tribal taxes on reservation enterprise zones

1 and reservation partnership zones), ORS 315.507 (electronic commerce), ORS
2 315.514 (film production development contributions), ORS 315.518 (semicon-
3 ductors), ORS 315.523 (employee training programs), ORS 315.533 (low income
4 community jobs initiative), ORS 315.593 (short line railroads), ORS 315.640
5 (university venture development funds), ORS 315.643 (Opportunity Grant
6 Fund contributions), ORS 315.675 (Trust for Cultural Development Account
7 contributions), ORS 317.097 (loans for affordable housing), ORS 317.124 (long
8 term enterprise zone facilities), ORS 317.147 (loans for agriculture workforce
9 housing), ORS 317.152 (qualified research expenses) and ORS 317.154 (alter-
10 native qualified research expenses) and section 9, chapter 774, Oregon Laws
11 2013 (alternative fuel vehicle contributions), **and section 3 of this 2025 Act**
12 **(eligible generation facilities).**

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

14 “318.031. It being the intention of the Legislative Assembly that this
15 chapter and ORS chapter 317 shall be administered as uniformly as possible
16 (allowance being made for the difference in imposition of the taxes), ORS
17 305.140 and 305.150, ORS chapter 314 and the following sections are incor-
18 porated into and made a part of this chapter: ORS 315.104, 315.124, 315.133,
19 315.141, 315.156, 315.176, 315.204, 315.208, 315.213, 315.283, 315.304, 315.326,
20 315.331, 315.336, 315.506, 315.507, 315.523, 315.533, 315.593 and 315.643 **and**
21 **section 3 of this 2025 Act** (all only to the extent applicable to a corpo-
22 ration) and ORS chapter 317.

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