

SB 120-1
(LC 2188)
6/4/25 (CMT/ps)

Requested by JOINT COMMITTEE ON TAX EXPENDITURES

PROPOSED AMENDMENTS TO SENATE BILL 120

1 In line 2 of the printed bill, after “expenditures” insert “; creating new
2 provisions; amending ORS 315.156, 315.271, 315.514, 315.622 and 317.097 and
3 sections 7 and 10, chapter 826, Oregon Laws 2005, section 66, chapter 832,
4 Oregon Laws 2005, section 9, chapter 765, Oregon Laws 2007, section 6,
5 chapter 880, Oregon Laws 2007, section 18, chapter 906, Oregon Laws 2007,
6 sections 5 and 36, chapter 913, Oregon Laws 2009, section 41, chapter 579,
7 Oregon Laws 2019, and section 30, chapter 525, Oregon Laws 2021; and pre-
8 scribing an effective date”.

9 Delete lines 4 through 8 and insert:

10 **“SECTION 1.** Section 6, chapter 880, Oregon Laws 2007, as amended by
11 section 1, chapter 750, Oregon Laws 2013, and section 32, chapter 579, Oregon
12 Laws 2019, is amended to read:

13 **“Sec. 6.** ORS 315.266 applies to tax years beginning before January 1,
14 [2026] **2032.**

15 **“SECTION 2.** ORS 315.156 is amended to read:

16 “315.156. (1) A taxpaying individual or corporation that is a grower of a
17 crop and that makes a qualified donation of the crop shall be allowed a
18 credit against the taxes otherwise due under ORS chapter 316 or, if the tax-
19 payer is a corporation, under ORS chapter 317 or 318, as follows:

20 “(a) In the case of a qualified donation made under circumstances de-
21 scribed in ORS 315.154 (5)(a) or (b), the amount of the credit shall be [15]

1 **25** percent of the value of the quantity of the crop donated computed at the
2 wholesale market price.

3 “(b) In the case of a qualified donation made under circumstances de-
4 scribed in ORS 315.154 (5)(c), the amount of the credit shall be ~~[15]~~ **25** percent
5 of the value of the quantity of the crop donated computed at the wholesale
6 market price that the grower would have received had the quantity of the
7 crop donated been sold or salable.

8 “(2) At the time of donation, the director, supervisor or other appropriate
9 official of the entity to which a qualified donation is made shall supply to
10 the grower of the crop donated two copies of a form prescribed by the De-
11 partment of Revenue. The forms shall contain:

12 “(a) The name and address of the grower;

13 “(b) The description and quantity of the donated crop;

14 “(c) The signature of the director, supervisor or other appropriate official
15 of the entity receiving the donated crop verifying that the produce was or
16 will be distributed to children or homeless, unemployed, elderly or low-
17 income individuals;

18 “(d) The wholesale market price; and

19 “(e) Other information required by the Department of Revenue by rule.

20 “(3) Tax claim for tax credit shall be substantiated by submission with
21 the tax return, of the form described in subsection (2) of this section, a
22 statement verified by the taxpayer that the qualified donation was made
23 under circumstances described in ORS 315.154 (5) and a copy of an invoice
24 or other statement identifying the price received by the grower for the crops
25 of comparable grade or quality if there is a previous cash buyer. The re-
26 quirement for substantiation may be waived partially, conditionally or abso-
27 lutely, as provided under ORS 315.063.

28 “(4) Any tax credit otherwise allowable under this section that is not used
29 by the taxpayer in a particular tax year may be carried forward and offset
30 against the taxpayer’s tax liability for the next succeeding tax year. Any

1 credit remaining unused in the next succeeding tax year may be carried
2 forward and used in the second succeeding tax year, and likewise, any credit
3 not used in that second succeeding tax year may be carried forward and used
4 in the third succeeding tax year, but may not be carried forward for any tax
5 year thereafter.

6 “(5)(a) A nonresident individual shall be allowed the credit computed un-
7 der this section in the same manner and subject to the same limitations as
8 the credit allowed a resident by this section. However, the credit shall be
9 prorated using the proportion provided in ORS 316.117.

10 “(b) If a change in the taxable year of a taxpayer occurs as described in
11 ORS 314.085, or if the department terminates the taxpayer’s taxable year
12 under ORS 314.440, the credit allowed by this section shall be prorated or
13 computed in a manner consistent with ORS 314.085.

14 “(c) If a change in the status of a taxpayer from resident to nonresident
15 or from nonresident to resident occurs, the credit allowed by this section
16 shall be determined in a manner consistent with ORS 316.117.

17 **“SECTION 3.** Section 5, chapter 913, Oregon Laws 2009, as amended by
18 section 1, chapter 115, Oregon Laws 2014, and section 38, chapter 579, Oregon
19 Laws 2019, is amended to read:

20 **“Sec. 5.** Except as provided in ORS 315.156 (4), a credit may not be
21 claimed under ORS 315.156 for tax years beginning on or after January 1,
22 2012, and before January 1, 2014, or on or after January 1, [2026] **2032.**

23 **“SECTION 4. The amendments to ORS 315.156 by section 2 of this**
24 **2025 Act apply to tax years beginning on or after January 1, 2025.**

25 **“SECTION 5.** Section 36, chapter 913, Oregon Laws 2009, as amended by
26 section 9, chapter 750, Oregon Laws 2013, and section 27, chapter 579, Oregon
27 Laws 2019, is amended to read:

28 **“Sec. 36.** A credit may not be claimed under ORS 316.157 for tax years
29 beginning on or after January 1, [2026] **2032.**

30 **“SECTION 6.** Section 18, chapter 906, Oregon Laws 2007, as amended by

1 section 33, chapter 913, Oregon Laws 2009, section 33, chapter 750, Oregon
2 Laws 2013, and section 23, chapter 579, Oregon Laws 2019, is amended to
3 read:

4 “**Sec. 18.** [Section 17, chapter 906, Oregon Laws 2007,] **ORS 316.090** applies
5 to individuals whose household ends tenancy at a manufactured dwelling
6 park during a tax year that begins on or after January 1, 2007, and before
7 January 1, [2026] **2032**.

8 “**SECTION 7.** Section 7, chapter 826, Oregon Laws 2005, as amended by
9 section 21, chapter 906, Oregon Laws 2007, section 36, chapter 750, Oregon
10 Laws 2013, section 14, chapter 217, Oregon Laws 2015, section 20, chapter 579,
11 Oregon Laws 2019, and section 22, chapter 528, Oregon Laws 2021, is
12 amended to read:

13 “**Sec. 7.** (1) Section 6, chapter 826, Oregon Laws 2005, applies to tax years
14 beginning on or after January 1, 2006, and before January 1, [2026] **2032**.

15 “(2) The amendments to section 6, chapter 826, Oregon Laws 2005, by
16 section 9, chapter 217, Oregon Laws 2015, apply to tax years beginning on
17 or after January 1, 2015, and before January 1, [2026] **2032**.

18 “(3) The amendments to section 6, chapter 826, Oregon Laws 2005, by
19 section 21, **chapter 528, Oregon Laws 2021**, [of this 2021 Act] apply to tax
20 years beginning on or after January 1, 2021, and before January 1, [2026]
21 **2032**.

22 “**SECTION 8.** Section 10, chapter 826, Oregon Laws 2005, as amended by
23 section 22, chapter 906, Oregon Laws 2007, section 37, chapter 750, Oregon
24 Laws 2013, section 15, chapter 217, Oregon Laws 2015, section 22, chapter 579,
25 Oregon Laws 2019, and section 24, chapter 528, Oregon Laws 2021, is
26 amended to read:

27 “**Sec. 10.** (1) Section 9, chapter 826, Oregon Laws 2005, applies to tax
28 years beginning on or after January 1, 2006, and before January 1, [2026]
29 **2032**.

30 “(2) The amendments to section 9, chapter 826, Oregon Laws 2005, by

1 section 10, chapter 217, Oregon Laws 2015, apply to tax years beginning on
2 or after January 1, 2015, and before January 1, [2026] **2032**.

3 “(3) The amendments to section 9, chapter 826, Oregon Laws 2005, by
4 section 23, **chapter 528, Oregon Laws 2021**, [of this 2021 Act] apply to tax
5 years beginning on or after January 1, 2021, and before January 1, [2026]
6 **2032**.

7 “**SECTION 9.** ORS 317.097, as amended by section 25, chapter 75, Oregon
8 Laws 2024, is amended to read:

9 “317.097. (1) As used in this section:

10 “(a) ‘Annual rate’ means the yearly interest rate specified on the note,
11 and not the annual percentage rate, if any, disclosed to the applicant to
12 comply with the federal Truth in Lending Act.

13 “(b) ‘Bonds’ means a bond, as defined in ORS 286A.001, if issued on behalf
14 of the Housing and Community Services Department, or bonds, as defined in
15 ORS 456.055, if issued by a housing authority.

16 “(c) ‘Finance charge’ means the total of all interest, loan fees, interest
17 on any loan fees financed by the lending institution, and other charges re-
18 lated to the cost of obtaining credit.

19 “(d) ‘Lending institution’ means any insured institution, as that term is
20 defined in ORS 706.008, any mortgage banking company that maintains an
21 office in this state or any community development corporation that is or-
22 ganized under the Oregon Nonprofit Corporation Law.

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

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

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

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

30 “(ii) The cost of any permanent improvements the member made to the

housing unit during the member's ownership;

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

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

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

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

“(h) ‘Preservation project’ means housing that was previously developed as affordable housing with a contract for rent assistance from the United States Department of Housing and Urban Development or the United States Department of Agriculture and that is being acquired by a sponsoring entity.

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

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

“(k) ‘Qualified loan’ means:

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

1 section (5) of this section; *[or]*

2 “(B) The purchase by a lending institution of bonds, the proceeds of which
3 are used to finance or refinance a loan that meets the criteria described in
4 subsection (5) of this section~~].~~; **or**

5 **“(C) A qualified mortgage loan fund.**

6 **“(L) ‘Qualified mortgage loan fund’ means a fund that:**

7 **“(A) Is operated by a lending institution described in subsection (12)**
8 **of this section;**

9 **“(B) Makes mortgages to first-time home buyers;**

10 **“(C) Makes mortgages for homes subject to a land trust mortgage;**
11 **and**

12 **“(D) Makes mortgages to households that, at the time of mortgage**
13 **origination, have income that is 80 percent or less of area median in-**
14 **come as defined in ORS 458.610.**

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

21 **“(2) The Department of Revenue shall allow a credit against taxes other-**
22 **wise due under this chapter for the tax year to a lending institution that**
23 **makes a qualified loan certified by the Housing and Community Services**
24 **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**
27 **during the tax year at an annual rate less than the market rate for a quali-**
28 **fied loan** *[that is made before January 1, 2026,]* **that complies with the re-**
29 **quirements of this section; and**

30 **“(b) The amount of finance charge that would have been charged during**

1 the tax year by the lending institution for the qualified loan for housing
2 construction, development, acquisition or rehabilitation measured at the an-
3 nual rate charged by the lending institution for nonsubsidized loans made
4 under like terms and conditions at the time the qualified loan for housing
5 construction, development, acquisition or rehabilitation is made.

6 “(3) The maximum amount of credit for the difference between the
7 amounts described in subsection (2)(a) and (b) of this section may not exceed
8 four percent of the average unpaid balance of the qualified loan during the
9 tax year for which the credit is claimed.

10 “(4) Any tax credit allowed under this section that is not used by the
11 taxpayer in a particular year may be carried forward and offset against the
12 taxpayer’s tax liability for the next succeeding tax year. Any credit remain-
13 ing unused in the next succeeding tax year may be carried forward and used
14 in the second succeeding tax year, and likewise, any credit not used in that
15 second succeeding tax year may be carried forward and used in the third
16 succeeding tax year, and any credit not used in that third succeeding tax
17 year may be carried forward and used in the fourth succeeding tax year, and
18 any credit not used in that fourth succeeding tax year may be carried for-
19 ward and used in the fifth succeeding tax year, but may not be carried for-
20 ward for any tax year thereafter.

21 “(5) To be eligible for the tax credit allowable under this section, a
22 lending institution must make a qualified loan by either purchasing bonds,
23 the proceeds of which are used to finance or refinance a loan that meets the
24 criteria stated in this subsection, or making a loan directly to:

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

29 “(b) A qualified borrower who:

30 “(A) Uses the loan proceeds to finance construction, development, acqui-

sition or rehabilitation of housing, including housing in the form of a limited equity cooperative; and

“(B) Provides a written certification executed by the Housing and Community Services Department that the:

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

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

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

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

“(B) Provides a written certification executed by the Housing and Community Services Department that the housing will continue to be operated as a manufactured dwelling park during the period for which the tax credit is allowed;

“(d) A qualified borrower who:

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

“(B) Provides a written certification executed by the Housing and Community Services Department that the housing preserved by the loan:

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

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

“(e) A qualified borrower who:

1 “(A) Uses the loan proceeds to finance construction, development, acqui-
2 sition or rehabilitation of housing; and

3 “(B) Provides a written certification executed by the Housing and Com-
4 munity Services Department or the governmental party to the rent assistance
5 contract that the housing preserved by the loan:

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

8 “(ii) Is the subject of a rent assistance contract with the federal govern-
9 ment or with a state or local government that will be maintained by the
10 qualified borrower and that limits a tenant’s rent to no more than 30 percent
11 of their income[.];

12 **“(f) A qualified borrower who:**

13 **“(A) Uses the loan proceeds to finance preservation or rehabili-**
14 **tation of housing; and**

15 **“(B) Provides a written certification executed by the Housing and**
16 **Community Services Department that the housing preserved or reha-**
17 **bilitated by the loan:**

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

20 **“(ii) Is currently characterized by financial or physical distress that**
21 **threatens its ongoing viability as an affordable housing resource; or**

22 **“(g) A qualified mortgage loan fund.**

23 **“(6) A loan made to refinance a loan that meets the criteria stated in**
24 **subsection (5) of this section must be treated the same as a loan that meets**
25 **the criteria stated in subsection (5) of this section.**

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

29 **“(a) States that the qualified loan is within the limitation imposed by**
30 **subsection (8) of this section; and**

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

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

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

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

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

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

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

25 “(10) For a qualified loan defined in subsection (1)(k)(B) of this section
26 financed through the purchase of bonds, the interest of which is exempt from
27 federal taxation under section 103 of the Internal Revenue Code, the amount
28 of finance charge that would have been charged under subsection (2)(b) of
29 this section is determined by reference to the finance charge that would have
30 been charged if the federally tax exempt bonds had been issued and the tax

1 credit under this section did not apply.

2 “(11) A lending institution may sell a qualified loan for which a certi-
3 fication has been executed to a qualified assignee whether or not the lending
4 institution retains servicing of the qualified loan so long as a designated
5 lending institution maintains records, annually verified by a loan servicer,
6 that establish the amount of tax credit earned by the taxpayer throughout
7 each year of eligibility.

8 “(12) Notwithstanding any other provision of law, a lending institution
9 that is a community development corporation organized under the Oregon
10 Nonprofit Corporation Law may transfer all or part of a tax credit allowed
11 under this section to one or more other lending institutions that are stock-
12 holders or members of the community development corporation or that oth-
13 erwise participate through the community development corporation in the
14 making of one or more qualified loans for which the tax credit under this
15 section is allowed.

16 “(13) The lending institution shall file an annual statement with the
17 Housing and Community Services Department, specifying that it has con-
18 formed with all requirements imposed by law to qualify for a tax credit under
19 this section.

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

24 “(a) A nonprofit corporation, manufactured dwelling park nonprofit co-
25 operative, state governmental entity, local unit of government as defined in
26 ORS 466.706 or housing authority; or

27 “(b) A nonprofit corporation or housing authority that has a controlling
28 interest in the real property that is financed by a qualified loan. A control-
29 ling interest includes a controlling interest in the general partner of a lim-
30 ited partnership that owns the real property.

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

5 “(16) The Housing and Community Services Department shall provide in-
6 formation to the Department of Revenue about all certifications executed
7 under this section, if required by ORS 315.058.

8 “(17) The Housing and Community Services Department and the Depart-
9 ment of Revenue may adopt rules to carry out the provisions of this section.

10 **“SECTION 10. The amendments to ORS 317.097 by section 9 of this**
11 **2025 Act apply to loans made on or after January 1, 2026, and to tax**
12 **years beginning on or after January 1, 2026.**

13 **“SECTION 11.** Section 30, chapter 525, Oregon Laws 2021, is amended to
14 read:

15 **“Sec. 30.** The amendments to ORS 317.097 by section 29 [*of this 2021*
16 *Act*], **chapter 525, Oregon Laws 2021**, apply to tax years beginning on or
17 after January 1, 2022[, *and before January 1, 2026*].

18 **“SECTION 12.** ORS 315.622 is amended to read:

19 “315.622. (1) A resident or nonresident individual who is certified as eli-
20 gible under ORS 442.561 to 442.570 and who is licensed as an emergency
21 medical services provider under ORS chapter 682 shall be allowed a credit
22 against the taxes that are otherwise due under ORS chapter 316 if the Office
23 of Rural Health certifies that the individual provides volunteer emergency
24 medical services in a rural area that comprise at least 20 percent of the total
25 emergency medical services provided by the individual in the tax year.

26 “(2) The amount of the credit shall equal [\$250] **\$1,000**.

27 “(3) A nonresident shall be allowed the credit under this section in the
28 proportion provided in ORS 316.117. If a change in the status of a taxpayer
29 from resident to nonresident or from nonresident to resident occurs, the
30 credit allowed by this section shall be determined in a manner consistent

1 with ORS 316.117.

2 “(4) As used in this section, ‘rural area’ means a geographic area that is
3 located at least 25 miles from any city with a population of 30,000 or more.

4 “(5) The Office of Rural Health shall provide information to the Depart-
5 ment of Revenue about all taxpayers that are eligible for a tax credit under
6 this section, if required by ORS 315.058.

7 “(6) **Not later than September 15 of each year, the office shall, in**
8 **the manner provided in ORS 192.245, submit a report on the number**
9 **of taxpayers eligible for the tax credit described under this section to**
10 **the interim committees of the Legislative Assembly related to health**
11 **care and to the Emergency Medical Services Program established in**
12 **section 2, chapter 32, Oregon Laws 2024.**

13 “**SECTION 13.** Section 66, chapter 832, Oregon Laws 2005, as amended
14 by section 26, chapter 913, Oregon Laws 2009, section 16, chapter 750, Oregon
15 Laws 2013, section 28, chapter 579, Oregon Laws 2019, and section 10, chapter
16 490, Oregon Laws 2023, is amended to read:

17 “**Sec. 66.** ORS 315.622 applies to tax credit certifications issued by the
18 Office of Rural Health on or after January 1, 2006, and before January 1,
19 [2028] **2030.**

20 “**SECTION 14.** **The amendments to ORS 315.622 by section 12 of this**
21 **2025 Act apply to tax years beginning on or after January 1, 2026.**

22 “**SECTION 15.** ORS 315.271 is amended to read:

23 “315.271. (1) A credit against taxes otherwise due under ORS chapter 316,
24 317 or 318 shall be allowed for donations to a fiduciary organization for
25 distribution to individual development accounts established under ORS
26 458.685. The credit shall equal a percentage of the taxpayer’s donation
27 amount, as determined by the fiduciary organization, but not to exceed 90
28 percent of any donation amount. A credit may be claimed for a donation
29 made not later than April 15 following December 31 of the tax year for which
30 the credit is allowed. *[To qualify for a credit under this section, donations to*

1 *a fiduciary organization must be made prior to April 15, 2028.]*

2 “(2) If a credit allowed under this section is claimed, the amount upon
3 which the credit is based that is allowed or allowable as a deduction from
4 federal taxable income under section 170 of the Internal Revenue Code shall
5 be added to federal taxable income in determining Oregon taxable income.
6 As used in this subsection, the amount upon which a credit is based is the
7 allowed credit divided by the applicable percentage, as determined by the
8 fiduciary organization.

9 “(3) The allowable tax credit that may be used in any one tax year shall
10 not exceed the tax liability of the taxpayer.

11 “(4) Any tax credit otherwise allowable under this section that is not used
12 by the taxpayer in a particular year may be carried forward and offset
13 against the taxpayer’s tax liability for the next succeeding tax year. Any tax
14 credit remaining unused in the next succeeding tax year may be carried
15 forward and used in the second succeeding tax year. Any tax credit not used
16 in the second succeeding tax year may be carried forward and used in the
17 third succeeding tax year, but may not be carried forward for any tax year
18 thereafter.

19 “(5) The total credits allowed to all taxpayers in any tax year under this
20 section and ORS 458.690 may not exceed [*\$7.5 million*] **\$14 million**. The total
21 credit allowed to a taxpayer in any tax year under this section and ORS
22 458.690 may not exceed \$500,000.

23 **“SECTION 16. The amendments to ORS 315.271 by section 15 of this**
24 **2025 Act apply to tax years beginning on or after January 1, 2025.**

25 **“SECTION 17.** Section 9, chapter 765, Oregon Laws 2007, as amended by
26 section 7, chapter 701, Oregon Laws 2015, section 7, chapter 525, Oregon
27 Laws 2021, and section 16, chapter 490, Oregon Laws 2023, is amended to
28 read:

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

1 “(2) For a taxpayer to qualify for a credit under ORS 315.271, do-
2 nations to a fiduciary organization must be made prior to April 15,
3 2030.

4 “[(2)] (3) The amendments to ORS 315.271 by section 6, chapter 525,
5 Oregon Laws 2021, apply to tax years beginning on or after January 1, 2022,
6 and before January 1, 2030.

7 **SECTION 18.** ORS 315.514 is amended to read:

8 “315.514. (1) A credit against the taxes that are otherwise due under ORS
9 chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317 or
10 318, is allowed to a taxpayer for certified film production development con-
11 tributions made by the taxpayer to the Oregon Production Investment Fund
12 established under ORS 284.367.

13 “(2)(a) The Department of Revenue shall, in cooperation with the Oregon
14 Film and Video Office, conduct an auction of tax credits under this section.
15 The auction may be conducted no later than April 15 following December 31
16 of any tax year for which the credit is allowed. The department may conduct
17 the auction in the manner that it determines is best suited to maximize the
18 return to the state on the sale of tax credit certifications and shall announce
19 a reserve bid prior to conducting the auction. The reserve amount shall be
20 at least 90 percent of the total amount of the tax credit. Moneys necessary
21 to reimburse the department for the actual costs incurred by the department
22 in administering an auction, not to exceed 0.25 percent of auction proceeds,
23 are continuously appropriated to the department. The department shall de-
24 posit net receipts from the auction required under this section in the Oregon
25 Production Investment Fund.

26 “(b) The Oregon Film and Video Office shall adopt rules in order to
27 achieve the following goals:

28 “(A) Subject to paragraph (a) of this subsection, generate contributions
29 for which tax credits of [*\$20 million*] **\$26.5 million** are certified for each
30 fiscal year;

1 “(B) Maximize income and excise tax revenues that are retained by the
2 State of Oregon for state operations; and

3 “(C) Provide the necessary financial incentives for taxpayers to make
4 contributions, taking into consideration the impact of granting a credit upon
5 a taxpayer’s federal income tax liability.

6 “(3) Contributions made under this section shall be deposited in the
7 Oregon Production Investment Fund.

8 “(4)(a) Upon receipt of a contribution, the Oregon Film and Video Office
9 shall, except as provided in ORS 315.516, issue to the taxpayer written cer-
10 tification of the amount certified for tax credit under this section to the
11 extent the amount certified for tax credit, when added to all amounts previ-
12 ously certified for tax credit under this section, does not exceed [\$20
13 *million*] **\$26.5 million** for the fiscal year in which certification is made.

14 “(b) The Oregon Film and Video Office may issue a certification for a
15 credit under this section, and a credit may be allowed, for the tax year in
16 which a contribution is made, or for the tax year immediately preceding the
17 tax year in which a contribution is made and for auctions conducted no later
18 than April 15 following December 31 of any tax year for which the credit is
19 allowed, if no return has yet been filed for the preceding tax year.

20 “(c) The Oregon Film and Video Office and the department are not liable,
21 and a refund of a contributed amount need not be made, if a taxpayer who
22 has received tax credit certification is unable to use all or a portion of the
23 tax credit to offset the tax liability of the taxpayer.

24 “(5) To the extent the Oregon Film and Video Office does not certify
25 contributed amounts as eligible for a tax credit under this section, the tax-
26 payer may request a refund of the amount the taxpayer contributed, and the
27 office shall refund that amount.

28 “(6)(a) Except as provided in paragraph (b) of this subsection, a tax credit
29 claimed under this section may not exceed the tax liability of the taxpayer
30 and may not be carried over to another tax year.

1 “(b) Any tax credit otherwise allowable under this section that is not used
2 by the taxpayer in a particular tax year may be carried forward and offset
3 against the taxpayer’s tax liability for the next succeeding tax year. Any
4 credit remaining unused in the next succeeding tax year may be carried
5 forward and used in the second succeeding tax year, and likewise, any credit
6 not used in that second succeeding tax year may be carried forward and used
7 in the third succeeding tax year but may not be carried forward for any tax
8 year thereafter.

9 “(c) A taxpayer is not eligible for a tax credit under this section if the
10 first tax year for which the credit would otherwise be allowed begins on or
11 after January 1, 2030.

12 “(7) If a tax credit is claimed under this section by a nonresident or
13 part-year resident taxpayer, the amount shall be allowed without proration
14 under ORS 316.117.

15 “(8) If the amount of contribution for which a tax credit certification is
16 made is allowed as a deduction for federal tax purposes, the amount of the
17 contribution shall be added to federal taxable income for Oregon tax pur-
18 poses.

19 **“SECTION 19. The amendments to ORS 315.514 by section 18 of this**
20 **2025 Act apply to fiscal years beginning on or after July 1, 2025.**

21 **“SECTION 20.** Section 41, chapter 579, Oregon Laws 2019, is amended to
22 read:

23 **“Sec. 41.** The repeal of ORS 825.475 by section 40 [*of this 2019 Act*],
24 **chapter 579, Oregon Laws 2019**, becomes operative on January 1, [2026]
25 **2032.**

26 **“SECTION 21. This 2025 Act takes effect on the 91st day after the**
27 **date on which the 2025 regular session of the Eighty-third Legislative**
28 **Assembly adjourns sine die.”.**