

# House Bill 2453

Sponsored by Representative PARRISH (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**.

Creates income tax credit for donating capital asset to publicly funded educational program.  
Applies to tax years beginning on or after January 1, 2017.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to tax credit for capital asset donation to educational program; creating new provisions;  
3 amending ORS 314.752 and 318.031; and prescribing an effective date.

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

5 **SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS chapter 315.**

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

7 (a) "Capital asset" means real or personal property with a value of at least \$5,000, as  
8 determined by the taxpayer's depreciation schedule for the property or as determined by an  
9 appraisal of the property by a licensed appraiser.

10 (b) "Qualified STEAM program" means a program of instruction provided by a school  
11 district, public charter school, community college or public university listed in ORS 352.002  
12 in science, technology, engineering, arts and math.

13 (2) A credit against taxes that are otherwise due under ORS chapter 316 or, if the tax-  
14 payer is a corporation, under ORS chapter 317 or 318, is allowed to a taxpayer that donates  
15 a capital asset to a qualified STEAM program.

16 (3) A taxpayer may claim the credit allowed under this section for a capital asset donated  
17 during the current tax year or, if the capital asset has fully depreciated within the past five  
18 years, a capital asset donated during the immediately preceding tax year.

19 (4) The credit allowed under this section shall be equal to 50 percent of the value of the  
20 donated capital asset or, if the credit is being claimed for a capital asset donated during the  
21 immediately preceding tax year, 15 percent of the fully depreciated value of the donated  
22 capital asset.

23 (5) Prior to claiming the credit allowed under this section, a taxpayer claiming the credit  
24 is required to obtain written documentation from the qualified STEAM program stating:

25 (a) That the recipient of the capital asset is a qualified STEAM program;

26 (b) The value of the donated capital asset; and

27 (c) That the qualified STEAM program agreed to receive the capital asset.

28 (6) For each tax year for which a credit is claimed under this section, the taxpayer shall  
29 maintain records sufficient to prove the taxpayer's eligibility for the credit allowed under  
30 this section. A taxpayer shall maintain the records required under this subsection and sub-  
31 section (5) of this section for at least five years.

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 (7) The credit allowed under this section may not exceed the tax liability of the taxpayer  
 2 for the tax year.

3 (8) A nonresident taxpayer shall be allowed the credit under this section. The credit shall  
 4 be computed in the same manner and be subject to the same limitations as the credit  
 5 granted to a resident taxpayer. However, the credit shall be prorated using the proportion  
 6 provided in ORS 316.117.

7 (9) If a change in the taxable year of the taxpayer occurs as described in ORS 314.085,  
 8 or if the department terminates the taxpayer's taxable year under ORS 314.440, the credit  
 9 allowed by this section shall be prorated or computed in a manner consistent with ORS  
 10 314.085.

11 (10) If a change in the status of a taxpayer from resident to nonresident or from non-  
 12 resident to resident occurs, the credit allowed by this section shall be determined in a man-  
 13 ner consistent with ORS 316.117.

14 (11) Spouses in a marriage who file separate returns for a taxable year may each claim  
 15 a share of the tax credit that would have been allowed on a joint return in proportion to the  
 16 adjusted gross income of each.

17 **SECTION 3.** ORS 314.752 is amended to read:

18 314.752. (1) Except as provided in ORS 314.740 (5)(b), the tax credits allowed or allowable to a  
 19 C corporation for purposes of ORS chapter 317 or 318 shall not be allowed to an S corporation. The  
 20 business tax credits allowed or allowable for purposes of ORS chapter 316 shall be allowed or are  
 21 allowable to the shareholders of the S corporation.

22 (2) In determining the tax imposed under ORS chapter 316, as provided under ORS 314.734, on  
 23 income of the shareholder of an S corporation, there shall be taken into account the shareholder's  
 24 pro rata share of business tax credit (or item thereof) that would be allowed to the corporation (but  
 25 for subsection (1) of this section) or recapture or recovery thereof. The credit (or item thereof), re-  
 26 capture or recovery shall be passed through to shareholders in pro rata shares as determined in the  
 27 manner prescribed under section 1377(a) of the Internal Revenue Code.

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

31 (4) If the shareholder is a nonresident and there is a requirement applicable for the business tax  
 32 credit that in the case of a nonresident the credit be allowed in the proportion provided in ORS  
 33 316.117, then that provision shall apply to the nonresident shareholder.

34 (5) As used in this section, "business tax credit" means a tax credit granted to personal income  
 35 taxpayers to encourage certain investment, to create employment, economic opportunity or incentive  
 36 or for charitable, educational, scientific, literary or public purposes that is listed under this sub-  
 37 section as a business tax credit or is designated as a business tax credit by law or by the Depart-  
 38 ment of Revenue by rule and includes but is not limited to the following credits: ORS 285C.309  
 39 (tribal taxes on reservation enterprise zones and reservation partnership zones), ORS 315.104 (fore-  
 40 station and reforestation), ORS 315.138 (fish screening, by-pass devices, fishways), ORS 315.141  
 41 (biomass production for biofuel), ORS 315.156 (crop gleaning), ORS 315.164 and 315.169 (agriculture  
 42 workforce housing), ORS 315.204 (dependent care assistance), ORS 315.208 (dependent care facili-  
 43 ties), ORS 315.213 (contributions for child care), ORS 315.304 (pollution control facility), ORS 315.326  
 44 (renewable energy development contributions), ORS 315.331 (energy conservation projects), ORS  
 45 315.336 (transportation projects), ORS 315.341 (renewable energy resource equipment manufacturing

1 facilities), ORS 315.354 and 469B.151 (energy conservation facilities), ORS 315.507 (electronic com-  
2 merce) and ORS 315.533 (low income community jobs initiative) **and section 2 of this 2017 Act**  
3 **(capital asset donation to qualified STEAM program).**

4 **SECTION 4.** ORS 318.031 is amended to read:

5 318.031. It being the intention of the Legislative Assembly that this chapter and ORS chapter  
6 317 shall be administered as uniformly as possible (allowance being made for the difference in im-  
7 position of the taxes), ORS 305.140 and 305.150, ORS chapter 314 and the following sections are in-  
8 corporated into and made a part of this chapter: ORS 285C.309, 315.104, 315.141, 315.156, 315.204,  
9 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.507 and 315.533 **and section 2 of this 2017**  
10 **Act** (all only to the extent applicable to a corporation) and ORS chapter 317.

11 **SECTION 5.** **Section 2 of this 2017 Act and the amendments to ORS 314.752 and 318.031**  
12 **by sections 3 and 4 of this 2017 Act apply to tax years beginning on or after January 1, 2017.**

13 **SECTION 6.** **This 2017 Act takes effect on the 91st day after the date on which the 2017**  
14 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

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