

Requested by Senator JOHNSON

**PROPOSED AMENDMENTS TO
SENATE BILL 330**

1 On page 1 of the printed bill, delete lines 5 through 30.

2 Delete pages 2 through 6 and insert:

3 **“SECTION 1. Section 2 of this 2021 Act is added to and made a part**
4 **of ORS chapter 315.**

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

6 **“(a) ‘Emergency period’ includes the period described in section 3,**
7 **chapter 13, Oregon Laws 2020 (first special session), or any other period**
8 **in which a landlord is prohibited by law from evicting a tenant based**
9 **on the tenant’s nonpayment.**

10 **“(b) ‘End of the grace period’ means the date determined under**
11 **section 3, chapter 13, Oregon Laws 2020 (first special session), or the**
12 **date after which a law prohibiting a landlord from evicting a tenant**
13 **based on the tenant’s nonpayment no longer applies to the tenant,**
14 **whichever occurs later.**

15 **“(c) ‘Landlord’ has the meaning given that term in ORS 90.100.**

16 **“(d) ‘Nonpayment’ ’ means the nonpayment of a payment that be-**
17 **comes due during an emergency period to a landlord, including a**
18 **payment of rent, late charges, utility or service charges or any other**
19 **charge or fee as described in the rental agreement or ORS 90.140,**
20 **90.302, 90.315, 90.392, 90.394, 90.560 to 90.584 or 90.630.**

21 **“(e) ‘Nonpayment balance’ means the net total amount of all items**

1 of nonpayment owed by a tenant to a landlord at the end of the grace
2 period.

3 “(f) ‘Tenant’ has the meaning given that term in ORS 90.100.

4 “(2) A credit against taxes imposed by ORS chapter 316 or, if the
5 taxpayer is a corporation, under ORS chapter 317 or 318 is allowed to
6 a taxpayer that is a landlord, equal to the total amount forgiven by
7 the taxpayer under subsection (3) of this section.

8 “(3) Before claiming the credit allowed under this section, the tax-
9 payer must, after the end of the grace period, notify each tenant with
10 a nonpayment balance for which the taxpayer intends to claim the
11 credit that the taxpayer has forgiven the tenant’s nonpayment bal-
12 ance. The amount of nonpayment balance forgiven must be included
13 in the notice.

14 “(4) A taxpayer may claim the credit allowed under this section if,
15 for each tenant with a nonpayment balance for which the taxpayer is
16 claiming the credit, the taxpayer:

17 “(a) Forgave the nonpayment balance and provided notice to the
18 tenant as described in subsection (3) of this section; and

19 “(b) Before the end of the grace period, did not:

20 “(A) Initiate or continue an action under ORS 105.110 to take pos-
21 session of a dwelling unit based on a notice of termination for non-
22 payment;

23 “(B) Assess a late fee or any other penalty on a tenant’s nonpay-
24 ment; or

25 “(C) Report a tenant’s nonpayment balance as delinquent to any
26 consumer credit reporting agency.

27 “(5) A taxpayer may not claim the credit allowed under this section
28 for the nonpayment balance of a tenant for whom the taxpayer has
29 received a distribution from the Housing and Community Services
30 Department under section 2, chapter 3, Oregon Laws 2020 (third special

1 session).

2 “(6) The credit allowed under this section shall be claimed on a
3 form prescribed by the Department of Revenue that contains the in-
4 formation required by the department.

5 “(7) The credit allowed under this section in each of five succeeding
6 tax years shall be 20 percent of the total amount forgiven by the tax-
7 payer under subsection (3) of this section but may not exceed the tax
8 liability of the taxpayer.

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

21 “(9) The taxpayer’s adjusted basis for determining gain or loss may
22 not be decreased by any tax credit allowed under this section.

23 “(10) In the case of a credit allowed under this section:

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

26 “(b) If a change in the status of a taxpayer from resident to non-
27 resident or from nonresident to resident occurs, the credit allowed by
28 this section shall be determined in a manner consistent with ORS
29 316.117.

30 “(c) If a change in the taxable year of a taxpayer occurs as de-

1 **scribed in ORS 314.085, or if the Department of Revenue terminates a**
2 **taxpayer’s taxable year under ORS 314.440, the credit allowed under**
3 **this section shall be prorated or computed in a manner consistent with**
4 **ORS 314.085.**

5 **“(11) A person that has earned a tax credit under this section may**
6 **transfer the credit to a taxpayer subject to tax under ORS chapter 316,**
7 **317 or 318. The transfer must comply with ORS 315.056.**

8 **“SECTION 3. ORS 316.680, as amended by section 131, chapter 1, Oregon**
9 **Laws 2021 (Ballot Measure 109 (2020)), is amended to read:**

10 **“316.680. (1) There shall be subtracted from federal taxable income:**

11 **“(a) The interest or dividends on obligations of the United States and its**
12 **territories and possessions or of any authority, commission or**
13 **instrumentality of the United States to the extent includable in gross income**
14 **for federal income tax purposes but exempt from state income taxes under**
15 **the laws of the United States. However, the amount subtracted under this**
16 **paragraph shall be reduced by any interest on indebtedness incurred to carry**
17 **the obligations or securities described in this paragraph, and by any expenses**
18 **incurred in the production of interest or dividend income described in this**
19 **paragraph to the extent that such expenses, including amortizable bond pre-**
20 **miums, are deductible in determining federal taxable income.**

21 **“(b) The amount of any federal income taxes accrued by the taxpayer**
22 **during the taxable year as described in ORS 316.685, less the amount of any**
23 **refunds of federal taxes previously accrued for which a tax benefit was re-**
24 **ceived.**

25 **“(c) Amounts allowable under sections 2621(a)(2) and 2622(b) of the**
26 **Internal Revenue Code to the extent that the taxpayer does not elect under**
27 **section 642(g) of the Internal Revenue Code to reduce federal taxable income**
28 **by those amounts.**

29 **“(d) Any supplemental payments made to JOBS Plus Program participants**
30 **under ORS 411.892.**

1 “(e)(A) Federal pension income that is attributable to federal employment
2 occurring before October 1, 1991. Federal pension income that is attributable
3 to federal employment occurring before October 1, 1991, shall be determined
4 by multiplying the total amount of federal pension income for the tax year
5 by the ratio of the number of months of federal creditable service occurring
6 before October 1, 1991, over the total number of months of federal creditable
7 service.

8 “(B) The subtraction allowed under this paragraph applies only to federal
9 pension income received at a time when:

10 “(i) Benefit increases provided under chapter 569, Oregon Laws 1995, are
11 in effect; or

12 “(ii) Public Employees Retirement System benefits received for service
13 prior to October 1, 1991, are exempt from state income tax.

14 “(C) As used in this paragraph:

15 “(i) ‘Federal creditable service’ means those periods of time for which a
16 federal employee earned a federal pension.

17 “(ii) ‘Federal pension’ means any form of retirement allowance provided
18 by the federal government, its agencies or its instrumentalities to retirees
19 of the federal government or their beneficiaries.

20 “(f) Any amount included in federal taxable income for the tax year that
21 is attributable to the conversion of a regular individual retirement account
22 into a Roth individual retirement account described in section 408A of the
23 Internal Revenue Code, to the extent that:

24 “(A) The amount was subject to the income tax of another state or the
25 District of Columbia in a prior tax year; and

26 “(B) The taxpayer was a resident of the other state or the District of
27 Columbia for that prior tax year.

28 “(g) Any amounts awarded to the taxpayer by the Public Safety Memorial
29 Fund Board under ORS 243.954 to 243.974 to the extent that the taxpayer has
30 not taken the amount as a deduction in determining the taxpayer’s federal

1 taxable income for the tax year.

2 “(h) If included in taxable income for federal tax purposes, the amount
3 withdrawn during the tax year in qualified withdrawals from a savings net-
4 work account for higher education established under ORS 178.300 to 178.360.

5 “(i) Any federal deduction that the taxpayer would have been allowed for
6 the production, processing or sale of marijuana items authorized under ORS
7 475B.010 to 475B.545 or 475B.785 to 475B.949 but for section 280E of the
8 Internal Revenue Code.

9 “(j) Any federal deduction that the taxpayer would have been allowed for
10 the manufacturing or sale of psilocybin products or the provision of
11 psilocybin services authorized under sections 3 to 129, chapter 1, Oregon
12 Laws 2021 (Ballot Measure 109 (2020)), but for section 280E of the Internal
13 Revenue Code.

14 “(k) If included in taxable income for federal tax purposes, any distrib-
15 utions from an ABLE account that do not exceed the qualified disability
16 expenses of the designated beneficiary as provided in ORS 178.375 and 178.380
17 and rules adopted by the Oregon 529 Savings Board.

18 **“(L) If included in taxable income for federal tax purposes, any**
19 **amount of a tenant’s discharge of indebtedness income attributable to**
20 **the forgiveness of a nonpayment balance under section 2 of this 2021**
21 **Act.**

22 “(2) There shall be added to federal taxable income:

23 “(a) Interest or dividends, exempt from federal income tax, on obligations
24 or securities of any foreign state or of a political subdivision or authority
25 of any foreign state. However, the amount added under this paragraph shall
26 be reduced by any interest on indebtedness incurred to carry the obligations
27 or securities described in this paragraph and by any expenses incurred in the
28 production of interest or dividend income described in this paragraph.

29 “(b) Interest or dividends on obligations of any authority, commission,
30 instrumentality and territorial possession of the United States that by the

1 laws of the United States are exempt from federal income tax but not from
2 state income taxes. However, the amount added under this paragraph shall
3 be reduced by any interest on indebtedness incurred to carry the obligations
4 or securities described in this paragraph and by any expenses incurred in the
5 production of interest or dividend income described in this paragraph.

6 “(c) The amount of any federal estate taxes allocable to income in respect
7 of a decedent not taxable by Oregon.

8 “(d) The amount of any allowance for depletion in excess of the taxpayer’s
9 adjusted basis in the property depleted, deducted on the taxpayer’s federal
10 income tax return for the taxable year, pursuant to sections 613, 613A, 614,
11 616 and 617 of the Internal Revenue Code.

12 “(e) For taxable years beginning on or after January 1, 1985, the dollar
13 amount deducted under section 151 of the Internal Revenue Code for personal
14 exemptions for the taxable year.

15 “(f) The amount taken as a deduction on the taxpayer’s federal return for
16 unused qualified business credits under section 196 of the Internal Revenue
17 Code.

18 “(g) The amount of any increased benefits paid to a taxpayer under
19 chapter 569, Oregon Laws 1995, under the provisions of chapter 796, Oregon
20 Laws 1991, and under section 26, chapter 815, Oregon Laws 1991, that is not
21 includable in the taxpayer’s federal taxable income under the Internal Rev-
22 enue Code.

23 “(h) The amount of any long term care insurance premiums paid or in-
24 curred by the taxpayer during the tax year if:

25 “(A) The amount is taken into account as a deduction on the taxpayer’s
26 federal return for the tax year; and

27 “(B) The taxpayer claims the credit allowed under ORS 315.610 for the tax
28 year.

29 “(i) Any amount taken as a deduction under section 1341 of the Internal
30 Revenue Code in computing federal taxable income for the tax year, if the

1 taxpayer has claimed a credit for claim of right income repayment adjust-
2 ment under ORS 315.068.

3 “(j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS
4 178.300, from a savings network account for higher education established
5 under ORS 178.300 to 178.360, the amount of the withdrawal that is attrib-
6 utable to contributions that were subtracted from federal taxable income
7 under ORS 316.699.

8 “(k) If a taxpayer makes a withdrawal from a savings network account
9 for higher education established under ORS 178.300 to 178.360 to pay ex-
10 penses in connection with enrollment or attendance at an elementary or
11 secondary school, the amount of the withdrawal that is attributable to con-
12 tributions that were subtracted from federal taxable income under ORS
13 316.699 and the amount of the withdrawal that is attributable to previously
14 untaxed earnings and gains.

15 “(L) If the taxpayer makes a distribution from an ABLE account that is
16 not a qualified disability expense of the designated beneficiary as provided
17 in ORS 178.375 and 178.380 and rules adopted by the Oregon 529 Savings
18 Board, the amount of the distribution that is attributable to contributions
19 that were subtracted from federal taxable income under ORS 316.699.

20 “(3) Discount and gain or loss on retirement or disposition of obligations
21 described under subsection (2)(a) of this section issued on or after January
22 1, 1985, shall be treated for purposes of this chapter in the same manner as
23 under sections 1271 to 1283 and other pertinent sections of the Internal
24 Revenue Code as if the obligations, although issued by a foreign state or a
25 political subdivision of a foreign state, were not tax exempt under the
26 Internal Revenue Code.”.

27 **“SECTION 4.** ORS 314.772 is amended to read:

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

1 lowed or allowable for purposes of ORS chapter 316 shall be allowed or are
2 allowable to the shareholders of the S corporation.

3 “(2) In determining the tax imposed under ORS chapter 316, as provided
4 under ORS 314.763, on income of the shareholder of an S corporation, there
5 shall be taken into account the shareholder’s pro rata share of business tax
6 credit (or item thereof) that would be allowed to the corporation (but for
7 subsection (1) of this section) or recapture or recovery thereof. The credit (or
8 item thereof), recapture or recovery shall be passed through to shareholders
9 in pro rata shares as determined in the manner prescribed under section
10 1377(a) of the Internal Revenue Code.

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

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

19 “(5) As used in this section, ‘business tax credit’ means the following
20 credits: ORS 315.104 (forestation and reforestation), ORS 315.138 (fish
21 screening, by-pass devices, fishways), ORS 315.141 (biomass production for
22 biofuel), ORS 315.156 (crop gleaning), ORS 315.164 and 315.169 (agriculture
23 workforce housing), ORS 315.176 (bovine manure), ORS 315.204 (dependent
24 care assistance), ORS 315.208 (dependent care facilities), ORS 315.213 (con-
25 tributions for child care), ORS 315.237 (employee and dependent scholar-
26 ships), ORS 315.271 (individual development accounts), ORS 315.304
27 (pollution control facility), ORS 315.326 (renewable energy development con-
28 tributions), ORS 315.331 (energy conservation projects), ORS 315.336 (trans-
29 portation projects), ORS 315.341 (renewable energy resource equipment
30 manufacturing facilities), ORS 315.354 and 469B.151 (energy conservation fa-

1 cilities), ORS 315.506 (tribal taxes on reservation enterprise zones and res-
2 ervation partnership zones), ORS 315.507 (electronic commerce), ORS 315.514
3 (film production development contributions), ORS 315.523 (employee training
4 programs), ORS 315.533 (low income community jobs initiative), ORS 315.593
5 (short line railroads), ORS 315.640 (university venture development funds),
6 ORS 315.643 (Opportunity Grant Fund contributions), ORS 315.675 (Trust for
7 Cultural Development Account contributions), ORS 317.097 (loans for af-
8 fordable housing), ORS 317.124 (long term enterprise zone facilities), ORS
9 317.147 (loans for agriculture workforce housing), ORS 317.152 (qualified re-
10 search expenses) and ORS 317.154 (alternative qualified research expenses)
11 and section 9, chapter 774, Oregon Laws 2013 (alternative fuel vehicle con-
12 tributions), **and section 2 of this 2021 Act (nonpayment balance**
13 **forgiveness).**

14 **“SECTION 5.** ORS 318.031 is amended to read:

15 “318.031. It being the intention of the Legislative Assembly that this
16 chapter and ORS chapter 317 shall be administered as uniformly as possible
17 (allowance being made for the difference in imposition of the taxes), ORS
18 305.140 and 305.150, ORS chapter 314 and the following sections are incor-
19 porated into and made a part of this chapter: ORS 315.104, 315.141, 315.156,
20 315.176, 315.204, 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.506,
21 315.507, 315.523, 315.533, 315.593 and 315.643 **and section 2 of this 2021 Act**
22 (all only to the extent applicable to a corporation) and ORS chapter 317.

23 **“SECTION 6. (1) Except as provided in subsection (2) of this section,**
24 **section 2 of this 2021 Act applies to tax years beginning on or after**
25 **January 1, 2020, and before January 1, 2023.**

26 **“(2) A taxpayer that claims a credit allowed under section 2 of this**
27 **2021 Act in a tax year described in subsection (1) of this section may**
28 **likewise claim the credit in each of the four succeeding tax years.**

29 **“SECTION 7. The amendments to ORS 316.680 by section 3 of this**
30 **2021 Act apply to tax years beginning on or after January 1, 2021, and**

1 before January 1, 2023.

2 **“SECTION 8. This 2021 Act takes effect on the 91st day after the**
3 **date on which the 2021 regular session of the Eighty-first Legislative**
4 **Assembly adjourns sine die.”**

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