

## Oregon Business Energy Tax Credit

# Application for Preliminary Certification for Transportation Projects

Business owners and others who invest in transportation projects that reduce miles traveled in Oregon may be eligible for a state tax credit. The tax credit for Transportation Projects is 35 percent of eligible project costs. The tax credit is filed over five years: 10 percent in the first and second years and 5 percent each year thereafter. For projects with eligible costs of \$20,000 or less, the tax credit may be taken in one year. Unused credits can be carried forward up to eight years.

### Eligible Applicants

An eligible applicant (a project owner) must meet the following three requirements:

1. Be a trade, business or rental property owner with a business site in Oregon  
**or**  
Be an Oregon non-profit organization, tribe, or public entity that partners with an Oregon business or resident;
2. Own or be the contract buyer of the project; and
3. Use the equipment yourself or lease it to another person or business in Oregon.

### Pass-through Option

Non-profit organizations, schools and other public entities that do not have an Oregon tax liability may participate in the Business Energy Tax Credit program by using the Pass-through Option. Project owners may “pass-through” or transfer their 35 percent tax credit project eligibility to a pass-through partner in exchange for a lump-sum cash payment. The Oregon Department of Energy determines the rate that is used to calculate the cash payment. Both the project owner and pass-through partner must sign the Application for Final Certification for Pass-through Projects before a Final Certification is issued to the pass-through partner. The same review, rules and standards apply to projects approved under the Pass-through Option as those using the regular Business Energy Tax Credit program. **Please note:** The Pass-through Option is also available to a project owner with an Oregon tax liability who chooses to transfer his or her tax credit. There may be tax implications to using the Pass-through Option. Please consult your tax preparer.

### Timing

The Oregon Department of Energy must receive the Application for Preliminary Certification for Transportation Projects **BEFORE** the project owner start the transportation project. For example, an owner must apply before purchasing equipment. If a project owner starts a project and then decides to apply for the tax credit, the owner must submit a written request for a waiver with the application. The waiver request and application must be sent within 90 days of the project start date and must demonstrate an extenuating business circumstance that caused the delay in the application. Under extraordinary circumstances, the Director of the Department of Energy may extend the waiver period.

Work on the project must begin within three years of the approval date of the Preliminary Certificate or within three years of the approval date of any changes to the project. A project owner must receive a Final Certificate before the credit can be claimed on an Oregon tax return.

**OVER**

## Confidential Information and Disclosure

The State of Oregon's Public Records Law (ORS 192.410 et seq.) (PRL) applies to tax credit applications submitted to the Oregon Department of Energy. The law states every person has a right to inspect any public record of a public body, subject to certain exceptions.

Trade secrets and confidential business records information may be exempt from disclosure. Certain information, including trade secrets (ORS 192.501(2)) and confidential submissions (ORS 192.502(4)), may be exempt from disclosure under exemptions to the PRL. Please consult your legal counsel to determine whether these or other exemptions could apply to your application.

Mark on each page any information that you believe are trade secrets, business records or that is otherwise protected under the PRL and that you request to be kept confidential. Marking information does not guarantee that it will be kept confidential. The Director of the Oregon Department of Energy will make any decisions regarding public disclosure of information contained in this application in accordance with the Oregon Public Records Law.

Under certain circumstances, as set out in ORS 192.445 (1), the personal safety exemption to the PRL, the Oregon Department of Energy is authorized to withhold your address, phone number and electronic mail address. If you want to claim this exemption under the PRL, please contact the Oregon Department of Energy prior to sending in your application for a Business Energy Tax Credit. Please consult your legal counsel to determine whether this exemption applies to you.

The Oregon Department of Energy does not endorse any company that requests application information and does not sell this information as a mailing list.

### **Before you start your project:**

1. A project owner must complete the Application for Preliminary Certification for Transportation Projects. Send the signed form, supporting documentation, and payment for review charges to the Oregon Department of Energy before the project begins. Incomplete applications will not be accepted. **Note:** Be sure and check the Web site to ensure you are using the latest application version. (Dates are in the lower right-hand corner.)
2. A project owner may start the project when he or she receives a Preliminary Certificate. The Oregon Department of Energy usually takes four to six weeks to review an application provided all necessary information is submitted. Incomplete or inadequate information may result in a delay in approval or in denial of the application. Please note: A project owner may begin the project before receiving a Preliminary Certificate, however, there is no guarantee the project will be approved.
3. If vital characteristics of the project change after receiving the Preliminary Certificate, the project owner should submit a signed, written, detailed description of the changes to the project and energy savings estimates. An increase in cost only does not qualify as a project change. If the Department of Energy approves a project change, a project owner may be required to pay an additional review charge.

### **After you complete the project:**

1. Apply to the Oregon Department of Energy for final certification. If project costs are \$50,000 or more, an owner must send a letter from a certified public accountant (not employed by the project owner) stating that he or she has reviewed the project costs. If project costs are less than \$50,000, the project owner should send copies of the dated invoices marked "paid," canceled checks or receipts that are marked "paid." For application of Carpool, Vanpool, Individualized Travel Behavior Change, Research, Development and Demonstration or Rideshare Matching Service, please submit a report with post-project survey results.
2. The Oregon Department of Energy will review the final application and may issue a Final Certificate. The Oregon Department of Energy can not approve more than 10 percent above the amount of estimated project costs shown on the Preliminary Certificate unless the project was amended in writing and received approval before completion. The sum of all financial incentives and the tax credit may not exceed the total eligible project costs.
3. A tax credit recipient may file the tax credit over five years (10 percent for years one and two; 5 percent for years three, four and five). If the eligible project costs are \$20,000 or less, a tax credit recipient may file for the tax credit in one year. A tax credit recipient may begin claiming the tax credit the year the project is finished or the year the Oregon Department of Energy issues the Final Certificate.

### **Questions?**

For questions on claiming the tax credit, contact the Oregon Department of Revenue ([www.oregon.gov/DOR](http://www.oregon.gov/DOR)) or call 1-800-356-4222.

For questions concerning the project, call the Oregon Department of Energy at 1-800-221-8035 (toll-free in Oregon) or (503) 378-4040 (Salem). Or visit our Web site ([www.oregon.gov/energy](http://www.oregon.gov/energy)).



# Application Document Checklist

This checklist is a tool to help make sure you have submitted all necessary information and will help us process your application as quickly as possible. Please attached the following document(s) with the application form

## **Bicycle Project**

- Cost estimate (e.g. vendor quotation, bids) of the bicycle/equipment to be purchased.

## **Carpool / Vanpool**

- Conduct a pre-project survey and submit a report with the survey results. The report must contain the project objectives, project details and estimated number of vehicle miles reduced by the project.
- If the project owner is renting the vehicle(s) from a rental company to cover the program cost, please provide verification of an agreement with the vehicle rental company specifying the coverage period and total cost.
- If the project owner is operating the program in-house, please provide a detailed budget.
- To apply for final certificate, the project owner must conduct a post-project survey and submit a report with the survey results. The report must contain the project results in terms of vehicle miles reduced and lessons learned.

## **Car Sharing**

- Detailed budget.

## **Commuter Pool Vehicles**

- For a commuter pool vehicle with special equipment, please provide a cost estimate (e.g. vendor quotation, bids) showing the additional cost between a regular vehicle and the vehicle with special equipment.

## **Financial Incentives**

- Financial incentive program plan.

## **Individualized Travel Behavior Change**

- Conduct a pre-project survey and submit a report with survey results. The report must contain the project objectives, methodology in reducing vehicle miles traveled by single occupancy vehicles, estimated number of vehicle miles that will be reduced by the project and a detailed budget.
- To apply for final certification, the project owner must conduct a post-project survey and submit a report with the survey results. The report must contain the project results in terms of vehicle miles reduced and lessons learned.

## **Parking Cash Out**

- Documentation to establish the value of the commuter parking space.  
Example: a) If the employee leases the parking space separate from the business premises, please provide documentation for the cost of leasing the parking space. b) If the employer owns the parking space, the employer may establish the value by documenting the cost of leasing a similar parking space within 250 yards of the employer's business premises.

## **Research Development and Demonstration (RD&D)**

- Conduct a pre-project survey and submit a report with the survey results. The report must contain the project objectives, methodology in reducing vehicle miles traveled by single occupancy vehicles, estimated number of vehicle miles that will be reduced by the project and a detailed budget.
- To apply for final certification, the project owner must conduct a post-project survey and submit a report with the survey results. The report must contain the project results in terms of vehicle miles reduced, the lessons learned and the feasibility of applying the same measure in the future.

### **Rideshare Matching Service**

- Conduct a pre-project survey and submit a report with the survey results. The report must contain the project objectives, methodology in reducing vehicle miles traveled by single occupancy vehicles, estimated number of vehicle miles that will be reduced by the project and a detailed budget.
- To apply for final certification, the project owner must conduct a post-project survey and submit a report with the survey results. The report must contain the project results in terms of vehicle miles reduced and the lessons learned.

### **Telework**

- Cost estimate (e.g. vendor quotation, bids) of the equipment to be purchased for use at the telework site

### **Transit Passes**

- Copy of written agreement with a public, private or non-profit transportation provider to pay for transit passes. The agreement must contain the start and end date of the program, the cost of each transit pass and the number of transit passes to be purchased.

### **Transportation Management Services Fees**

- Verification of an agreement with the transportation provider for specific services/projects that reduce vehicle miles traveled.

### **Transportation Services**

- If the project owner is providing the service through a contractor, please provide verification of an agreement with the transportation provider.
- If the project owner is providing the service in-house, please provide a detailed budget.

### **Transportation Services for K-12 Students**

- Verification of the cost per student and a reasonable estimate of the actual number of students served.
- Develop a monthly cost per student service, based on but not limited to lost revenues, added costs, and Vehicle-Miles-Reduced cost-effectiveness.
- Conduct a pre and post survey and submit a report with the results of these surveys to measure reduction in vehicle miles.

**You are not required to submit this checklist with the application form.**

# Oregon Business Energy Tax Credit Application for Preliminary Certification

## **Transportation Projects**

(Other than Alternative Fuel Projects)

Bicycle, Carpool/ Vanpool, Car Sharing, Commuter Pool Vehicle, Financial Incentive, Individualized Travel Behavior Change program, Parking Cash Out, Research, Development and Demonstration, Rideshare Matching Service, Telework, Transit Passes, Transportation Management Services Fees, Transportation Services and Transportation Services for K-12 Students

Pass-through Option	For office use only
<p><b>Yes   No</b></p> <p><input type="checkbox"/>   <input type="checkbox"/> I want to use the Pass-through Option*</p> <p><small>*The Pass-through Option will allow you to transfer your tax credit project eligibility to another business or individual (a pass-through partner) in exchange for a lump-sum payment. The payment amount is calculated using the pass-through rate. To use the Pass-through Option, check the Yes box above, complete this application form and send the form to the Oregon Department of Energy. There may be tax implications to using the Pass-through Option. Please consult your tax preparer.</small></p>	<p>Application #:</p> <hr/> <p>Date received:</p> <hr/>

**The Oregon Department of Energy must receive your completed application before you financially commit to start the energy project.**

1. Project owner information	
Project owner's name (The legal owner of the project)	
Tax I.D. # or SSN*:	
Business name;	
Mailing address:	
City/state/zip:	
Phone:	E-mail:
Principal business activity:	
Contact person for project owner (Who should receive correspondence about this project?)	
Title:	
Phone:	E-mail:

\*OAR 330-090-0130 authorizes the Oregon Department of Energy to use your federal tax identification or social security number as an identification number in maintaining internal records and may be shared with the Oregon Department of Revenue to establish the identity of an individual in order to administer state tax law.

<b>2. Vendor or contractor for project</b>	
Firm name of vendor or contractor:	
Address:	Phone:
City/state/zip:	
Phone:	E-mail:

<b>3. Project site</b>		
Business name:		
Site address:		
City:	County:	Zip:

<b>4. Projected start and completion dates</b> (The date you expect to financially commit to the project – sign the contract, etc. These dates must be in month, day, year format; for example: May 8, 2009)	
Projected start date:	Projected completion date:

<b>5. May the Oregon Department of Energy publicize your project to promote efficiency to other businesses?</b>
<input type="checkbox"/> Yes <input type="checkbox"/> No

<b>6. How did you learn of the Business Energy Tax Credit Program?</b>
<input type="checkbox"/> Associate <input type="checkbox"/> Advertisement <input type="checkbox"/> Workshop <input type="checkbox"/> Utility <input type="checkbox"/> Vendor <input type="checkbox"/> Other:

<b>7. Project Types</b> —To qualify for the tax credit, transportation projects must meet the requirements below. Check the project(s) you are applying for and attach required documents.
<input type="checkbox"/> <b>Bicycle Project</b> – Purchase bicycles or equipment used to store bicycles for riders to reduce miles driven a minimum of 45 working days per calendar year. Maximum eligible cost for a bicycle light and bicycle with bolted equipment is \$800.
<input type="checkbox"/> <b>Carpool/Vanpool</b> – The cost of providing a transportation service for registered members to carpool at least 150 calendar days per year. Eligible cost includes vehicle operation cost, but does not include the cost of the vehicle.
<input type="checkbox"/> <b>Car Sharing</b> – A program in which drivers pay to become members in order to have joint access to a fleet of cars. Eligible cost for car sharing includes the cost of operating a car sharing program, including the fair market value of parking spaces used to store the cars available for the program, but does not include the cost of the fleet cars. It does not include operations conducted by a car rental agency.

<input type="checkbox"/> <b>Commuter Pool Vehicles</b> - Purchase vehicles for transporting three or more riders. Vehicle must reduce vehicle miles traveled at least 150 days per calendar year. Applicants receiving partial funding from federal dollars will only receive a tax credit for the required match amount. Transportation districts, mass transit districts, and metropolitan service districts within communities of 50,000 or more people are not eligible. <input type="checkbox"/> Vehicle(s) is/are equipped with special equipment which is required to serve riders (describe) : _____ <input type="checkbox"/> Total additional cost of the special equipment \$ _____
<input type="checkbox"/> <b>Financial Incentives</b> – Financial incentives paid to riders to reduce vehicle miles driven at least 45 days per calendar year.
<input type="checkbox"/> <b>Individualized Travel Behavior Change</b> – Program to reduce vehicle miles traveled through one-on-one contact with participants in a specific geographical area. Pre- and post-project surveys must be conducted and reported to qualify for a tax credit.
<input type="checkbox"/> <b>Parking Cash Out</b> – A cash allowance or a transit pass given to an employee in lieu of offering or providing the employee a free or subsidized commuter parking space for a commuter vehicle. Eligible cost for parking cash out includes the cost of providing a commuter parking space.
<input type="checkbox"/> <b>Research, Development and Demonstration (RD&amp;D)</b> – An innovative travel reduction project that reduces vehicle miles traveled. The applicant must conduct pre- and post-project surveys that measure travel reduction and submit a report of the results with the application for final certification. Transportation districts, mass transit districts, or metropolitan service districts within communities of 50,000 or more people may not qualify for more than \$2 million annually in eligible costs for RD&D projects.
<input type="checkbox"/> <b>Rideshare Matching Service</b> – Program that provides rideshare matching services to registered members to find shared rides for commuting on a regular basis. Eligible costs include capital expenditures, administrative and communication cost. Pre- and post-project surveys must be conducted and reported to qualify for a tax credit.
<input type="checkbox"/> <b>Telework</b> – Equipment purchased that allows an employee to work from home or an office closer to home at least 45 working days per calendar year <b>OR</b> purchase of equipment that reduces employees’ business-related travel by at least 25 percent. Eligible costs include purchase and the installation of equipment at the telework site.
<input type="checkbox"/> <b>Transit Passes</b> – Transit passes purchased for riders. Monthly pass participants must use transit at least 45 working days per calendar year. The total contract cost of a group pass program is eligible. Equipment used as a shelter for people waiting for transit may qualify.
<input type="checkbox"/> <b>Transportation Management Services Fees</b> – Fees paid to a Transportation Management Association (TMA) or non-profit organization for providing services to riders that reduce the number of vehicle miles driven. Projects must be able to demonstrate travel reduction or be part of a qualifying transportation project. The fee cannot exceed the cost of the transportation project.
<input type="checkbox"/> <b>Transportation Services</b> – The cost of providing transportation services for riders. Eligible cost includes vehicle operation cost but does not include the cost of the vehicles. Transportation districts, mass transit districts, and metropolitan service districts in communities with 50,000 or more people are not eligible.
<input type="checkbox"/> <b>Transportation Services for K-12 Students</b> – The cost of providing transportation services for K-12 students during the school year. Project owners should develop a monthly cost per student and a reasonable estimate of the actual number of students served. The Project Owner must conduct pre and post-surveys to measure reduction in vehicle miles.

**8. Project description**—Describe your transportation project in detail. Attach additional sheets if necessary.

**9. Travel reduction**

Average number of one-way trips per day	X	Average miles per one-way trip	X	Approximate days of service	=	Total vehicle miles reduced (VMR)
	X		X		=	

**Important: if you are applying for more than one project, please calculate #9 for each project. Attach additional copies of the page if necessary.**

**10. Travel information** (please complete this section except for bicycle purchase or RD&D project)

- The vehicle(s) is/are run on gasoline.
  - The vehicle(s) is/are run on diesel.
  - The vehicle(s) is/are run by fuel other than gasoline or diesel. Please specify \_\_\_\_\_
- Project travel time distribution:
- Urban area peak hours \_\_\_\_\_%    Urban area non-peak hours \_\_\_\_\_%
- Rural area \_\_\_\_\_%    (Total must be 100%)
- The purpose of the project is for  Personal     Work
- Personal: Travel during non-work hours. For example, commuting to work, going shopping or to the dentist
  - Work: Travel during work hours. For example, using the company shuttle for work meetings at two different work sites.

**11. Estimated costs** – Itemize costs for each project. State the brand name and model of each major piece of equipment. Attach additional sheets if necessary.

If you are receiving federal funds for all or a portion of the cost of a **Commuter Pool Vehicle**, the eligible project cost is the portion of the local match.

Except RD&D, bicycle purchase and commuter pool vehicles with special equipment, all transportation projects are subject to the cost-per-vehicle-mile-reduced criteria. The final eligible cost cannot exceed the cost-per-vehicle mile driven by a single-occupant vehicle multiplied by the total estimated vehicle miles reduced (VMR) shown in #9. Calculation of cost-per-vehicle mile driven by a single-occupant vehicle is available by calling the Oregon Department of Energy or by visiting our Web site at: [www.oregon.gov/ENERGY/TRANS/transhm.shtml](http://www.oregon.gov/ENERGY/TRANS/transhm.shtml).

Project equipment:	
1)	\$
2)	\$
3)	\$
4)	\$
5)	\$
<b>Subtotal</b> (do not include Business Energy Tax Credit fees)	\$
<b>Deduct federal grants:</b>	-
<b>Note: OAR 330-090-0110 (19)</b> (m) The sum of any rebates or cash payments under ORS 469.631 to 469.645, 469.649 to 469.659, 469.673 to 469.683, or 757.612(5)(a), or from a public purpose organization and the Business Energy Tax Credit may not exceed eligible costs.	
<b>Subtract any employee contributions for transit passes.</b>	-
<b>Total estimated project cost</b>	\$ (a)
<b>Total estimated cost:</b> _____ x _____ Cost-per-vehicle mile driven by a single-occupant vehicle x Total estimated project VMR (from item 9)	\$ (b)
Calculation of cost-per-vehicle mile driven by a single-occupant vehicle is available on the Web at: <a href="http://www.oregon.gov/ENERGY/TRANS/transhm.shtml">www.oregon.gov/ENERGY/TRANS/transhm.shtml</a> or by calling the Oregon Department of Energy.	
<b>Final estimated project cost</b> = (a) or (b), whichever is lower	\$

OVER

## 12. Fuel saved

\_\_\_\_\_ ÷  $\frac{25^1}{\text{(vehicle miles per gallon)}}$  = \_\_\_\_\_ gallons of fuel saved per year  
(Total vehicle miles reduced per year from #9)

## 13. Business Energy Tax Credit review charge

Applications will **not** be reviewed until review charge is paid in full.

Estimated Project Cost (See 11) \_\_\_\_\_ x .0060 = \$ \_\_\_\_\_

Your required review charge is the amount calculated above, unless your calculated amount is less than \$30 or more than \$35,000. If your calculated review charge is less than \$30, you are required to pay \$30. If your calculated review charge is more than \$35,000, you should pay \$35,000. Please make your check payable to the Oregon Department of Energy and include with this application. You may also pay by Visa or MasterCard.

I want to pay by Visa/MasterCard. Please contact me at this phone number: \_\_\_\_\_.

If all or a portion of your application is denied, or if a change in your project results in lower costs, a portion up to 75 percent of this payment may be refunded within two years of pre-certification. If you add to your approved project, you must send a written description of the additions and the costs to be eligible for a tax credit. If the Oregon Department of Energy approves the additional estimated costs, an additional payment may be required. For more information, see Oregon Administrative Rule 330-090-0150(2).

**OVER**

<sup>1</sup> From Transportation Energy Data Book, U.S. Department of Energy, 2006 edition

#### 14. Project Owner Preliminary Statement

1. I understand that Oregon Department of Energy approval and certification of my project is for tax credit purposes only. The Oregon Department of Energy does not guarantee or in any way ensure the performance of any equipment, the quality of any system or the reliability of any dealer.
2. I agree that the project will comply with all local, state and federal requirements. I will obtain all necessary permits.
3. I will permit the Oregon Department of Energy or its agents to inspect the project at its discretion to make sure the project qualifies for the tax credit. I understand that if I give false information about the project, or if I refuse to permit the Oregon Department of Energy to inspect the project, I will not get the tax credit.
4. I understand that this tax credit application is a public record and that Oregon Department of Energy may be required by law to disclose information in this tax credit application to the public on request. I have marked any information that I request be kept confidential. I understand that marking information does not guarantee that it will be kept confidential and that the Director of the Oregon Department of Energy will make any decisions regarding public disclosure of information contained in this application in accordance with the Oregon Public Records Law.
5. I understand that the Oregon Department of Energy does not endorse any company that requests information on this application and does not sell information as a mailing list.
6. I hereby (a) release the State of Oregon and its commissions, agencies, officers, employees, contractors, and agents, and agree to defend and indemnify the foregoing from and against any claims, demands, or costs (including attorney and expert witness fees at trial and on appeal) arising from or in any way related to claims made by applicant or any parent or subsidiary of applicant and which are related in any way to the Oregon Department of Energy's issuance or failure to issue any pre-certification or final certification to applicant for a Business Energy Tax Credit, or the inability to obtain a Business Energy Tax Credit; and (b) agree to reimburse the State of Oregon for any damages, costs and expenses, including, but not limited to attorney fees and reasonable expenses for agency staff and in-house legal counsel incurred as a result of, or arising from or in any way related to the applicant obtaining certification for a Business Energy Tax Credit by fraud or misrepresentation or failing to construct or operate the facility in compliance with the plans, specifications and procedures in any certification to applicant for a Business Energy Tax Credit. Agreement to the terms of this paragraph by applicants that are agencies of the State of Oregon is subject to the limitations of Article XI, section 7 of the Oregon Constitution and the Oregon Tort Claims Act (ORS 30.260 through 30.300).
7. I understand that the sum of all financial incentives and the tax credit can not exceed the total eligible project cost.
8. I have enclosed a check to the Oregon Department of Energy or will pay by Visa or MasterCard for the review charge.
9. I verify that the project owner does not restrict membership, sales, or services on the basis of race, color, creed, religion, national origin, sexual preference or gender.
10. I have completed this form to the best of my knowledge and have not altered any of these statements.
11. I certify that I am the project owner or the authorized agent.

By signing this Statement, I acknowledge that I have read and agree with the terms and conditions of the Project Owner Preliminary Certification Statement and have not altered any part of the Statement.

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

Send completed application with full review charge to: **Oregon Department of Energy, 625 Marion St. NE, Salem, OR 97301-3737**. If you have questions, call: **1-800-221-8035 (toll-free in Oregon)** Applications that are incomplete will be returned.