



OREGON
DEPARTMENT OF
ENERGY

Oregon Administrative Rules

Biofuel Consumer Income Tax Credits

**OAR 330-150-0010, 330-150-0020, 330-150-0030, 330-150-0040
(for ORS 469 and ORS 314, 315 and 316)**

Effective December 1, 2007

DRAFT #2 – As of 11-01-07

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BIOFUEL CONSUMER INCOME TAX CREDITS
DIVISION 150**

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**[DIVISION 150
BIOFUEL CONSUMER INCOME TAX CREDITS]**

[330-150-0010

Purpose

- (1) ORS 469.160 through 469.180 offer income tax credits for Oregon biofuel consumers.
- (2) These rules are OAR 330-150-0010 through 330-150-0040. They govern the way tax credits for consumer biofuel use may be claimed by a taxpayer. None of these rules replace any building code requirements
- (3) Effective Date: December 1, 2007.
- (4) These rules apply to tax years beginning on or after December 1, 2007 through the tax year ending December 31, 2012.
- (5) ODOE grants or denies AED tax credits. By granting a tax credit, neither ODOE nor the state implies that the AED will save more money than it will cost. Meeting standards in these rules does not assure that an AED is safe or reliable.

Stat. Auth.: ORS 469.086

Stats. Implemented: ORS 314, 315, 316 and 469

Hist.: DOE proposed 12/1/07]

[330-150-0020

Definitions

- (1) “Alternative fuel vehicle” means a motor vehicle that can operate on a fuel blend.
- (2) “Biodiesel” has the meaning given that term in ORS 646.905.
- (3) “Biomass” means means organic matter that is available on a renewable or recurring basis and that is derived from:
 - (a) Forest or rangeland woody debris from harvesting or thinning conducted to improve forest or rangeland ecological health and reduce uncharacteristic stand replacing wildfire risk;
 - (b) Wood material from hardwood timber described in ORS 321.267(3);
 - (c) Agricultural residues;
 - (d) Yard or wood debris collected as provided under ORS chapter 459 or 459A;
 - (e) 'Biomass' does not mean wood that has been treated with creosote, pentachlorophenol, inorganic arsenic or other inorganic chemical compounds.
- (4) “Bone dry ton” means matter that is dried to less than one percent moisture content and that weighs 2,000 pounds.
- (5) “Cord of firewood” means a unit of piled firewood sold by volume. One cord measures an 8 x 4 x 4 foot stack and equals 128 cubic feet or 3.62 cubic meters.
- (6) “Fuel blend” means diesel fuel of blends equal to or exceeding 99 percent biodiesel or gasoline of a blend equal to or exceeding 85 percent methanol or ethanol.

(7) “Resident Individual” means a taxpayer that is any natural person, estate, trust, or beneficiary whose income is in whole or in part subject to the taxes imposed by Oregon Revised Statute, Chapter 316.]

[330-150-030

Who and what is eligible

(1)(a) A resident individual shall be allowed a credit against the taxes otherwise due under ORS chapter 316 for costs paid or incurred to purchase fuel blends for use in an alternative fuel vehicle.

(b) A resident individual shall be allowed a credit against the taxes otherwise due under ORS chapter 316 for costs paid or incurred to purchase forest, rangeland or agriculture waste or residue densified and dried prepared solid biofuel that contains 100 percent biomass.

(2) The amount of the credit shall be calculated as follows:

(a) Determine the quantity of fuel blend or solid biofuel purchased by the taxpayer during the tax year.

(b) For ethanol fuel blend the taxpayer shall retain receipt(s) of purchase to document the quantity in gallons of gasoline of a blend equal to or exceeding 85 percent methanol or ethanol with ethanol (E85) purchased on or after 1 January 2007 and in the tax year for which the credit is being claimed.

(c) For biodiesel fuel blend the taxpayer shall retain receipt(s) of purchase to document the quantity in gallons of diesel of a blend equal to or exceeding 99 percent biodiesel (B99) purchased on or after 1 January 2007 and in the tax year for which the credit is being claimed.

(d) For densified and dried prepared solid biofuel of 100 percent biomass, the taxpayer shall retain receipt(s) of purchase to document the quantity in tons or cords purchased on or after 1 January 2007 and in the tax year for which the credit is being claimed.

(e) To determine the income tax credit amount multiply the quantity of fuel blend or solid biofuel as follows:

(A) The credit allowed under this section for diesel blended fuel is equal to \$0.50 per gallon and in any one tax year may not exceed \$200 per Oregon registered motor vehicle that is owned or leased by the taxpayer under a lease of greater than 30 days' duration and that is capable of using a fuel blend.

(B) The credit allowed for gasoline blended fuel is equal to \$0.50 per gallon and in any one tax year may not exceed \$200 per Oregon registered motor vehicle that is owned or leased by the taxpayer under a lease of greater than 30 days' duration and that is capable of using a fuel blend.

(C) The credit allowed for forest, rangeland or agriculture waste or residue densified and dried prepared solid biofuel is equal to \$10 per bone dry ton of solid biofuel and in any one tax year may not exceed \$200 per taxpayer. Wood pellets and pressed woody biomass residue without any adhesive or inorganic binders are eligible. Seasoned firewood is eligible up to a maximum of 1 ton per measured cord of firewood.]

[330-150-0040

Claiming Biofuel Consumer Income Tax Credits

(1) The credit allowed in any one tax year may not exceed the tax liability of the taxpayer and may not be carried forward to a subsequent tax year.

(2) For each tax year for which a credit is claimed under this section, the taxpayer shall maintain records sufficient to determine the taxpayer's purchase of qualifying fuel blends. A taxpayer shall maintain the records required under this subsection for at least five years.

(3) A nonresident shall be allowed the credit under this section in the proportion provided in ORS 316.117.

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

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

(6) A husband and wife who file separate returns for a taxable year may each claim a share of the tax credit that would have been allowed on a joint return in proportion to the contribution of each.]