Oregon Corporation Tax Credits 2008

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Oregon Form 20 Credits

Oregon Form 20-I Credits

Oregon Form 20-S Credits

Oregon Form 20-INS Credits

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Credit	Description	Date available	Excess carried forward	Verification required
Alternative fuel vehicle fueling stations ORS 317.115	25 percent of cost of the fueling station, but not more than $750.	For contractor who constructs a fueling station as defined in ORS 469.160, placed in service on or after January 1, 1998.	Yes, 5 years.	A verification form signed by contractor and owner, purchaser, or tenant.
Biomass production or collection (form) ORS 315.141	The credit is available to agricultural producers and biomass collectors for the production or collection of biomass that is to be used in Oregon as biofuel or to produce biofuel. The credit is based on the amount or quantity of biomass transferred to a biofuel producer during the tax year. This credit may be transferred to an Oregon taxpayer.	For tax years beginning on or after January 1, 2007 and before January 1, 2013.	Yes, 4 years.	Written receipts from a biofuel producer to the agricultural producer or biomass collector claiming the credit.
Bone marrow donor expense (for carry forward purposes only) ORS 315.604	25 percent of employer's expense incurred during the year for employees who donate bone marrow.	For tax years beginning on or after January 1, 1991, and prior to January 1, 2002.	Yes, 5 years.	Employer must retail details for audit verification.
Business energy ORS 315.354, 315.356, 469.185	Facility used to process or use renewable energy resources, or to achieve energy efficiency that exceeds industry or regulatory standards by 10 percent or better. "Facility" includes alternative fuel fleet vehicles, telecommuting equipment, and refueling stations. Beginning January 1, 1998, "facility" includes employer-provided transit passes. Beginning January 1, 2001, eligibility is	For tax years beginning on or after January 1, 1980. The credit must be first claimed in a tax year beginning before January 1, 2016.	Yes, 8 years.	Certificate issued by Office of Energy, toll-free 1-800-221-8035.

	expanded to include facilities providing transit passes to students and patrons of medical facilities, and certain utilities. Beginning January 1, 2007, "facility" also includes a high-efficiency combined heat and power facility, a high-performance home, a homebuilder-installed renewable energy system, or a renewable energy resource equipment manufacturing facility. The credit allowed is based on the certified cost of the facility. This credit may be sold or transferred to another tax payer at a discounted rate. See certifying agency's website for transfer.			
Child Care Division and community agency contributions ORS 315.213	The credit is allowed for certified contributions made to the Child Care Division of the Employment Department for the purpose of promoting child care. If credit is claimed, there may be an addition on the Oregon return. For tax years beginning before January 1, 2004, contributions to selected community agencies qualify for the credit.	For tax years beginning on or after January 1, 2002, and before January 1, 2013.	Yes, 4 years.	Certificate issued by Child Care Division, 503-947-1418 or 1-800-556-6616.
Claim of right ORS 315.068	The difference between the actual Oregon tax for the year the claim of right income was included in federal income and the Oregon tax if such income had not been included in federal income. See IRC 1341(a)(1) and (2).	For tax years beginning on or after January 1, 1998.	No, the credit is refundable.	Taxpayer must retain details for audit verification.
Contribution of computers or scientific equipment for research ORS 317.151	Computers, scientific equipment, maintenance agreements, or money for scientific research donated to Oregon institutions of higher education or post-secondary schools. Beginning January 1, 1998, qualified institutions include pre-kindergarten through grade 12. 10 percent of fair market value of qualified charitable contributions.	For contributions made in tax years beginning on or after January 1, 1986, and prior to January 1, 2010.	Yes, 5 years for credits earned in tax years beginning on or after January 1, 1993.	Donor must retain details for audit verification.
Crop donation (form) ORS 315.156	Crop gleaning permitted by growers. 10 percent of wholesale market price of crop donated.	For tax years beginning on or after January 1, 1986.	Yes, 3 years	Donor must retain details for audit verification.
Dependent care assistance (form) ORS 315.204	Dependent care assistance for employees. 50 percent of annual cost up to $2,500 per benefiting employee.	For tax years beginning on or after January 1, 1988, and prior to January 1, 2017.	Yes, 5 years.	Certificate issued by Child Care Division, 503-947-1418 or 1-800-556-6616.

Dependent care facilities (for carry forward purposes only) ORS 315.208	The amount of the credit is the lesser of: $2,500 multiplied by the number of full-time employees, or 50 percent of cost, or $100,000. One-tenth of the credit is allowable each year for 10 years, as long as the facility is in operation.	The first year of the credit begins on or after January 1, 1988 and prior to January 1, 2002.	Yes, 5 years.	Certificate issued by Child Care Division, 503-947-1418 or 1-800-556-6616.
Dependent care information and referral (form) ORS 315.204	Information and referral services to help employees obtain dependent care assistance. 50 percent of cost.	For tax years beginning on or after January 1, 1988, and prior to January 1, 2017.	Yes, 5 years.	Certificate issued by Child Care Division, 503-947-1418 or 1-800-556-6616.
Diesel engine replacement Notes following ORS 315.356	The amount of the credit varies from $400 to $925 per qualifying engine, depending on the number of trucks owned by the taxpayer prior to the purchase. Qualifying purchases may be made in years 2004 through 2011. A taxpayer may not claim a credit of more than $80,000 for purchases made in any one year. Certificates of credit approval may not be issued after December 31, 2011.	Tax years beginning on or after January 1, 2005.	Yes, 4 years.	Certification issued by the Federal Environmental Protection Agency.
Diesel engine repower or retrofit Chapter 843, 2007 Oregon Laws	The amount of the credit is 25 percent of the certified cost of each qualifying repower and 50 percent of the certified cost of each qualifying retrofit. "Repower" means to replace an old diesel engine with a new, used, or remanufactured engine or with electric motors, drives, or fuel cells with a minimum useful life of seven years. "Retrofit" means to equip a diesel engine with new emissions-reducing parts or technology that meets the cost-effectiveness threshold. The credit may be transferred to an Oregon taxpayer.	Tax years beginning on or after January 1, 2008.	Yes, 3 years.	Certification issued by the Department of Environmental Quality, 503-229-6549.
Electronic commerce in designated enterprise zone or city ORS 315.507, 315.508	Available to qualified businesses engaged in e-commerce in an approved enterprise zone. The credit is equal to 25 percent of the investment in capital assets that are used in the designated area primarily for electronic commerce operations, limited to the lesser of $2 million or the tax liability.	For tax years beginning on or after January 1, 2002.	Yes, 5 years.	Local enterprise zone authorization and qualification. Contact Economic and Community Development, 503-986-0123.
Emission-reducing production technology or process (pollution prevention) (for carry forward purposes	For the installation of a certified pollution-eliminating production technology or process. The maximum credit allowed in any one tax year shall be the lesser of the tax liability of the	For tax years beginning on or after January 1, 1996. For facilities built before January	Yes, 3 years.	Certification issued by the Department of Environmental Quality, 503-229-6878.

only) ORS 315.311, refer to ORS 468A.098	taxpayer or one-tenth of the cost. Certification of a project is for five years.	1, 2000.		
Employee and dependent scholarship program payments ORS 315.237	The credit may be claimed by an employer with at least 4 full-time employees. The credit equals 50 percent of scholarships funded, but cannot exceed $50,000.	For tax years beginning on or after January 1, 2002.	Yes, 5 years.	Certified by Student Assistance Commission, 1-800-452-8807, ext. 7395.
Farm machinery and equipment ORS 315.119, 315.123	For property taxes paid on machinery, equipment and personal property used for processing wholesale farm crops or livestock after harvest, but before sale of the modified or altered products. The machinery and equipment must be located on or contiguous to land that is specially assessed for farm use and is owned and controlled by the farm operator. The amount of the credit is the lesser of the effective property tax rate multiplied by the adjusted basis (for income tax purposes) of the qualified machinery and equipment or $30,000. A tax credit is not allowed if the machinery and equipment is fully depreciated for tax purposes.	Tax years beginning on or after January 1, 2002 and before January 1, 2008.	Yes, 5 years.	Farm owner or operator must retain details for audit verification.
Farmworker housing project (form) (annual certification required for projects completed after Dec. 31, 1995) ORS 315.163–172	Construction or rehabilitation of farmworker housing in Oregon. Fifty percent of costs for projects completed in tax years after 2001; no more than 20 percent of that in any one year over a 10-year period. On or after January 1, 2005 eligible taxpayers may transfer all or any portion of their credit to another taxpayer. See certifying agency's website for transfer.	For projects started and completed in tax years beginning on or after January 1, 1990. Refer to the ORS regarding credits for tax years before 2002.	Yes, 9 years.	Certified by Oregon Housing and Community Services, 503-986-2148.
Film production development contributions ORS 315.514	A credit is allowed for contributions to the Oregon Production Investment Fund that is certified by the Oregon Film and Video Office. The amount of the tax credit shall equal the amount certified for credit by the Oregon Film and Video Office, except that a contribution must equal at least 90 percent of the tax credit.	Tax years beginning on or after January 1, 2005. The credit must be first claimed in a tax year beginning before January 1, 2012.	Yes, 3 years.	Certification issued by the Oregon Film and Video Office, 503-229-5832.
Fire insurance gross premiums tax (available to insurance companies only) ORS 317.122	Tax paid to the Insurance Division for Fire Marshal tax.		No.	Companies must retain details for audit verification.

First break program (for carry forward purposes only) ORS 315.259	Hiring of qualified youth age 14–23, as defined by the Employment Department. Lesser of $1,000, the amount that has not been taken by a qualified youth's previous employer, or 50 percent of the wages paid to the youth during the relevant time period.	For qualified youth hired in tax years beginning on or after January 1, 1998, and before January 1, 2005.	Yes, 5 years.	Employer must retain a copy of the certificate issued by a designated community-based organization.
Fish habitat improvement ORS 315.134	The credit is 25 percent of the amount certified.	Beginning on or after January 1, 1988. Credit must be claimed for the year in which final certification is granted.	Yes, 5 years.	
Fish screening devices ORS 315.138	Installations of fish screening devices, bypass devices, or fishways. 50 percent of installation costs, not to exceed $5,000 per device.	For final certifications in tax years beginning on or after January 1, 1990.	Yes, 5 years.	Certificate issued by Department of Fish and Wildlife, 503-947-6229
Individual development accounts ORS 315.271	Lesser of $25,000 or 25 percent of the donated amount for donations made before January 1, 2002. Lesser of $75,000 or 75 percent of the donated amount for donations made on or after January 1, 2002.	For donations made on or after Oct. 23, 2000, to fiduciary organization approved by Oregon Housing and Community Services.	Yes, 3 years.	Lender must retain detail for audit verification.
Lender's credit: Affordable housing (form) ORS 317.097	Loans to finance certified housing projects for low-income households. For credit certifications issued on or after September 27, 2007, qualifying loans include loans to develop, acquire, construct, or rehabilitate qualified housing. Qualified housing now includes manufactured dwelling parks and housing preservation projects.	For loans made on or after January 1, 1990, and before January 1, 2020.	Yes, 5 years.	File annual statement with Oregon Housing and Community Services, 503-986-2036.
Lender's credit: Energy conservation (form) ORS 317.112	Loans to improve space heating efficiency for oil- and wood-heated residences.	For loans made on or after January 1, 1982.	Yes, 15 years for loans made after Sept. 28, 1991.	Lender must retain details for audit verification.
Lender's credit: Farmworker housing (form) ORS 317.147	Loans for construction or rehabilitation of farmworker housing in Oregon. The credit is equal to 30 percent if the loan was made in tax years beginning on or after January 1, 1996, and the farmworker housing project was completed before January 1, 2002. The	For loans made on or after January 1, 1990. For farmworker housing projects completed on or after	No.	Lender must retain details for audit verification.

	credit is equal to 50 percent if the loan was made in tax years beginning before January 1, 1996, or if the farmworker housing project was completed on or after January 1, 2002. Claimed over the term of the loan or 10 years, whichever is shorter. This credit may be sold to an Oregon taxpayer.	January 1, 2002.		
Long-term care insurance ORS 315.610	Lesser of 15 percent of premiums paid or incurred during the tax year, or $500 multiplied by the number of Oregon employees covered. For policies issued on or after January 1, 2000.	Tax years beginning on or after January 1, 2000.	No.	Taxpayer must retain details for audit verification.
Long-term enterprise zone facilities (form) ORS 317.124, 317.125	Constructing or operating a facility certified in a qualified rural enterprise zone eligible for long-term exemption from property taxes. Credit equals 62.5 percent of payroll, employee benefit costs, and all other employee costs of the facility. Only available against the C corporation tax liability in excess of $1 million, or lesser amount applicable to counties with population under various thresholds and meeting specified criteria. Beginning January 1, 2005, a taxpayer eligible for the credit is allowed to take other eligible credits if this credit does not offset the tax liability on the return.	For a five- to 15-year period; for tax years beginning on or after January 1, 1998, and within three years of date placed in service. For facilities certified on or before June 30, 2013.	Yes, 5 years.	Taxpayer must receive written approval from the governor and retain details for audit verification. Contact Economic and Community Development, 503-986-0123.
Mile-based or time-based motor vehicle insurance Notes following ORS 317.122	A $100 credit is allowed for each vehicle insured under a policy that is at least 70 percent based on a mile-based or time-based rating plan. The credit may not exceed $300 for each policy of the tax liability.	Tax years beginning on or after January 1, 2005 and before January 1, 2010.	No.	Obtain a verified statement from the policy holder.
OLHIGA (Oregon Life and Health Insurance Guaranty Association) offset (available only to insurance companies) ORS 734.835	A credit for 20 percent of the amount paid in each of the five calendar years following the year in which the assessment is paid to the Oregon Life and Health Insurance Guaranty Association (OLHIGA).		No.	Companies must retain details for audit verification.
On-farm processing facilities ORS 315.119	The amount of credit is the lesser of: the effective property tax rate multiplied by the adjusted basis of the qualified machinery and equipment; or $30,000.	For tax years beginning on or after January 1, 2002, and before January 1, 2008.	Yes, 5 years.	Contact Department of Revenue.
Pollution control facilities (form) ORS 315.304	For the prevention, control or reduction of air, water, or noise pollution, nonpoint source	For construction completed	Yes, generally 3 years. Up to	Certificate issued by the Department of Environmental

	pollution; solid or hazardous waste; recycling; or disposal of used oil.	before January 1, 2008.	3 additional years if certain conditions are met.	Quality, 503-229-6878.
Qualified research activities (form) ORS 317.152, 317.153, 317.154	Five percent of qualified research expenses and basic research payments in excess of base amount (IRS Sec. 41), or 5 percent of qualified research expenses that exceed 10 percent of Oregon sales. For tax years beginning on or after January 1, 2006, the maximum credit is $2,000,000. Prior to this date, the maximum is $500,000. Limited to research activities in Oregon.	For tax years beginning on or after January 1, 1989, and before January 1, 2012.	Yes, 5 years.	Companies must retain details for audit verification.
Reclaimed plastics recycling (for carry forward purposes only) ORS 315.324	The credit is allowed beginning in the tax year the investment received final certification. The taxpayer claiming the credit must have been recycling, collecting, transporting, processing, or manufacturing a reclaimed plastic product during the tax year for which the credit is claimed. The maximum credit allowed in any one year shall be the lesser of the tax liability or 10 percent of the certified cost of the taxpayer's investment.	For investments made on or after January 1, 1986, and prior to January 1, 2002.	Yes, 5 years.	Certificate issued by the Department of Environmental Quality, 503-229-6878.
Reforestation ORS 315.104, 315.106	The credit shall be allowed in an amount equal to 50 percent of reforestation project costs actually paid or incurred to reforest underproductive Oregon forestlands.	For preliminary certification issued on or before Dec. 31, 2011.	Yes, 3 years.	Certificate issued by Department of Forestry, 503-945-7368.
Reservation enterprise zone (form) ORS 285C.309	The credit is allowed to eligible businesses operating a new business facility in a reservation enterprise zone. The credit is equal to the tribal property tax imposed on a new business facility that is paid or incurred by the business during the tax year, or the amount of tribal tax paid or incurred by the business during the tax year, if the business has not previously conducted business operations within the reservation enterprise zone. "Tribal tax" includes, but is not limited to, an income or excise tax, an ad valorem property tax, a gross receipts tax, or a sales and use tax.	For tax years beginning on or after January 1, 2002.	No.	Economic and Community Development, 503-986-0123
Trust for cultural development account contributions ORS 315.675	Credit is 100 percent of contributions to the account that are matched by an equal contribution to an Oregon cultural organization. Limited to	For donations made on or after December 1, 2002, in tax years	No.	Proof of contribution must be provided if requested by Department of

	$500 per individual taxpayer, $2,500 for corporations.	beginning on or after January 1, 2002, and before January 1, 2013.		Revenue. Contact Oregon Cultural Trust, 503-986-0088.
University venture development fund contributions ORS 315.521	A credit is allowed for contributions to a university venture development fund when a tax credit certificate has been issued. The amount of the credit is 60 percent of the certified amount with limitations as to how much may be claimed yearly.	Tax years beginning on or after January 1, 2006.	Yes, 5 years.	Taxpayer must retain tax credit certificate issued by the Oregon University.
Voluntary removal of riparian land from farm production ORS 315.113	Credit is 75 percent of the market value of crops foregone.	Tax years beginning on or after January 1, 2004.	Yes, 5 years.	Taxpayer must retain details for audit verification.
Water transit vessel ORS 315.517	A credit is allowed based on wages paid to a person employed in Oregon to assist in the manufacture of a water transit vessel. The credit available is the lesser of $5,000, 15 percent of the wages paid, or tax liability. Wages must be paid to a person initially hired on or after January 1, 2006.	For tax years beginning on or after January 1, 2006 and before January 1, 2013.	No.	Employer must retain details for audit verification.
Workers' compensation tax (available to insurance companies only) (form) ORS 317.122	Lesser of the premium assessment to fund operations of the Oregon Insurance Division or the excise tax on the profit attributable to the workers' compensation line of business.	All insurance credits can be claimed by both foreign and domestic insurance companies in tax years beginning on or after January 1, 1997.	No.	Companies must retain details for audit verification.
Youth apprenticeship sponsorship ORS 315.254	The amount of the credit is equal to the wages paid to a participating student by the sponsoring employer during the first year of employment, not to exceed $2,500. The taxpayer who sponsors students must have begun participating in the youth apprenticeship program prior to November 4, 1993.	For tax years beginning on or after January 1, 1991.	Yes, 2 years.	Employer must retain details for audit verification.

Oregon Form 20 Credits

Taxpayers must take the full amount of a credit allowed per year. ORS 314.078

- Alternative fuel vehicle fueling stations
- Biomass production or collection
- Bone marrow donor expense
- Business energy

- Child Care Division and community agency contributions
- Claim of right
- Contribution of computers or scientific equipment for research
- Crop donation
- Dependent care assistance
- Dependent care facilities
- Dependent care information and referral
- Diesel engine replacement
- Diesel engine repower or retrofit
- Electronic commerce in designated enterprise zone or city
- Employee and dependent scholarship program payments
- Farmworker housing project
- Film production development contributions
- First break program
- Fish habitat improvement
- Fish screening devices
- Individual development accounts
- Lender's credit: Affordable housing
- Lender's credit: Energy conservation
- Lender's credit: Farmworker housing
- Long-term care insurance
- Long-term enterprise zone facilities
- Mile-based or time-based motor vehicle insurance
- On-farm processing facilities
- Pollution control facilities
- Qualified research activities
- Reclaimed plastics recycling
- Reforestation
- Reservation enterprise zone
- Trust for cultural development account contributions
- University venture development fund contributions
- Voluntary removal of riparian land from farm production
- Water transit vessel

Oregon Form 20-I Credits

Taxpayers must take the full amount of a credit allowed per year. ORS 314.078

- Biomass production or collection
- Bone marrow donor expense
- Business energy
- Child Care Division and community agency contributions
- Claim of right
- Crop donation
- Dependent care assistance
- Dependent care facilities
- Dependent care information and referral
- Diesel engine replacement
- Diesel engine repower or retrofit
- Electronic commerce in designated enterprise zone or city
- Emission-reducing production technology or process (pollution prevention)
- Employee and dependent scholarship program payments
- Film production development contributions
- First break program
- Fish habitat improvement
- Individual development accounts
- Long-term care insurance
- Long-term enterprise zone facilities
- Mile-based or time-based motor vehicle insurance
- On-farm processing facilities

- Pollution control facilities
- Qualified research activities
- Reforestation
- Reservation enterprise zone
- Trust for cultural development account contributions
- University venture development fund contributions
- Voluntary removal of riparian land from farm production
- Water transit vessel

Oregon Form 20-S Credits

Taxpayers must take the full amount of a credit allowed per year. ORS 314.078

- Alternative fuel vehicle fueling stations
- Biomass production or collection
- Bone marrow donor expense
- Business energy
- Child Care Division and community agency contributions
- Contribution of computers or scientific equipment for research
- Crop donation
- Dependent care assistance
- Dependent care facilities
- Dependent care information and referral
- Diesel engine replacement
- Diesel engine repower or retrofit
- Electronic commerce in designated enterprise zone or city
- Emission-reducing production technology or process (pollution prevention)
- Employee and dependent scholarship program payments
- Energy conservation loans
- Farmworker housing loans
- Farmworker housing project
- Film production development contribution
- First break program
- Fish habitat improvement
- Fish screening devices
- Individual development accounts
- Lending institution loans for affordable housing
- Long-term enterprise zone facilities
- Mile-based or time-based motor vehicle insurance
- On-farm processing facilities
- Pollution control facilities
- Qualified research activities
- Reclaimed plastics recycling
- Reforestation
- University venture development fund contributions
- Voluntary removal of riparian land from farm production
- Water transit vessel

Only credits carried forward from C corporation years are allowed to offset the tax on built-in gains. ORS 314.740(5)(b)

No credits are allowed to offset the tax on excess net passive income. Attach a list of credits claimed and the required credit form listed below.

Oregon Form 20-INS Credits

Taxpayers must take the full amount of a credit allowed per year. ORS 314.078

Credits against the excise tax **must** be claimed in the following order: other credits, workers' compensation credit, and fire insurance premiums tax credit. These credits are subtracted from the excise tax. The remaining tax is then reduced by the Oregon Life and Health Insurance Guaranty Association (OLHIGA) offset.

- Alternative fuel vehicle fueling stations
- Biomass production or collection
- Bone marrow donor expense
- Business energy
- Child Care Division and community agency contributions
- Claim of right
- Contribution of computers or scientific equipment for research
- Crop donation
- Diesel engine replacement
- Diesel engine repower or retrofit
- Electronic commerce in designated enterprise zone or city
- Employee and dependent scholarship program payments
- Farmworker housing project
- Film production development contributions
- Fire insurance gross premiums tax
- First break program
- Fish habitat improvement
- Fish screening devices
- Individual development accounts
- Long-term care insurance
- Long-term enterprise zone facilities
- Mile-based or time-based motor vehicle insurance
- OLHIGA (Oregon Life and Health Insurance Guaranty Association) offset
- On-farm processing facilities
- Reclaimed plastics recycling
- Reforestation
- Reservation enterprise zone
- Trust for cultural development account contributions
- University venture development fund contributions
- Voluntary removal of riparian land from farm production
- Water transit vessel
- Workers' compensation tax