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Oregonians drive almost 39 billion miles a year. More than 70 percent of these miles are from single occupant vehicles. Projects that reduce commuter and business driving will save energy. The Oregon Department of Energy offers Oregon employers a tax credit for implementing such projects.



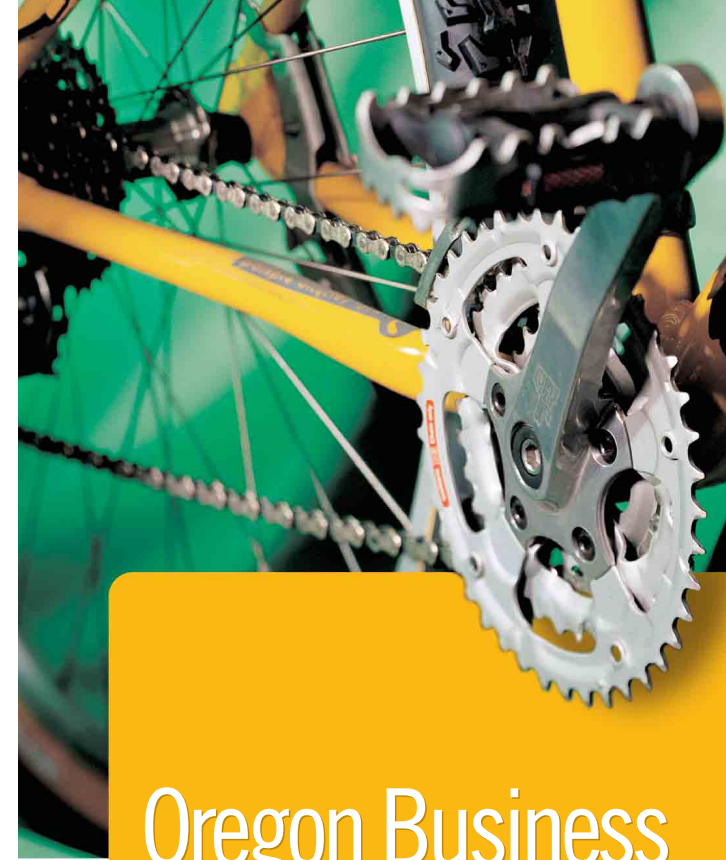
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# Oregon Business Energy Tax Credit Transportation



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## What is the Business Energy Tax Credit?

The Business Energy Tax Credit is an incentive program offered by the Oregon Department of Energy to encourage businesses and organizations to invest in energy conservation, renewable energy resources, transportation options and less polluting transportation fuels. Transportation projects that reduce miles driven by single occupant vehicles are eligible.



## How much is the tax credit?

The tax credit is 35 percent of the eligible project cost. Project owners can take the credit over five years: 10 percent in the first and second years and 5 percent for the next three years. If a project owner cannot take the full tax credit each year, they can carry the unused credit forward up to eight years. Those with eligible project costs of \$20,000 or less may take the tax credit in one year.



## Who can get a tax credit?

Trade and business owners who pay taxes for a business site in Oregon are eligible for the tax credit. The business, its partners or its shareholders may use the credit. The applicant must own or be the contract buyer of the project. The business must use the equipment for the project or lease it for use at another site in Oregon.



## What happens if I do not have tax liability?

Oregon organizations with no tax liability such as non-profits can choose to use the Pass-through Option by partnering with a business with tax liability. The Pass-through Option allows a project owner to transfer the 35 percent Business Energy Tax Credit project eligibility to a pass-through partner for a lump-sum cash payment. The Oregon Department of Energy sets the Pass-through Option rates for the cash payment. If the eligible project cost is \$20,000 or less, the Pass-Through rate is 30.5 percent. If the eligible project cost is over \$20,000, the Pass-Through rate is 25.5 percent. Businesses with a tax liability can also choose to participate in the Pass-through Option.

## What are the eligible transportation projects?

Projects maintained by a business that reduce vehicle miles traveled may qualify for a tax credit. **Examples are:**

### ■ Transportation Management Service Fees:

Fees paid to a Transportation Management Association or a non-profit organization for providing services to riders that reduce the number of miles driven by single occupant vehicles.

### ■ Transit Passes:

Cost of purchasing/ subsidizing transit passes for riders. Cost of equipment used as a shelter for people waiting for transit.

### ■ Financial Incentive Program:

Cost of incentives paid to riders to reduce vehicle miles driven at least 45 days per calendar year.

### ■ Bicycle:

Cost of bicycles or equipment used to store bicycles for riders to commute at least 45 days per calendar year.

### ■ Carpool and Vanpool:

Cost of operating carpool or vanpool service for registered riders for at least 150 days per calendar year.



### ■ Carsharing:

Cost of a program which drivers pay to become members and have joint access to a fleet of cars.

### ■ Rideshare Matching Service:

Program that provides rideshare matching service to registered members to find shared rides for commuting on a regular basis.

### ■ Commuter Pool Vehicles:

Cost of vehicles for transporting three or more riders for at least 150 days per calendar year.

### ■ Transportation Service:

Cost of providing transportation service to riders for at least 150 days per calendar year.

### ■ Parking Cash Out:

Cash allowances given to employees in lieu of offering a free or subsidized commuter parking space.

### ■ Telework:

Cost of equipment purchased that allows employees to work from home or an office closer to home for at least 45 days per calendar year.

### ■ Individualized Travel Behavior Change:

Program to reduce vehicle miles traveled through one-on-one contact with defined target segment.

### ■ Research, Development and Demonstration:

Innovative travel reduction project that reduces vehicle miles traveled.

## How do I apply for the program?

Project owners have to apply for the program before starting the project. *(Under extraordinary circumstances, applicant can request a waiver within 90 days of project start.)* The Oregon Department of Energy collects a review cost for each application equal to 0.75 percent of the eligible cost.

## Steps for Preliminary Certification:

- 1 The project owner completes the Application for Preliminary Certification for Transportation Projects and sends the signed form, supporting documentation and payment for review costs to the Oregon Department of Energy.
- 2 The Oregon Department of Energy reviews the application *(usually takes four to six weeks)*.
- 3 The project owner receives the Preliminary Certificate and starts the project.

## Steps for Final Certification

- 1 The project owner completes the Application for Final Certification and sends the signed form with a letter from a certified public accountant *(for project costs \$50,000 or more)* or proof of payment *(for project costs less than \$50,000)*, and required documents for each projects type to the Oregon Department of Energy.
- 2 The Oregon Department of Energy reviews the final application and issues a Final Certificate to the project owner *(or the Pass-Through Partner if the Pass-Through Option is selected and payment is made to the project owner by the Pass-Through Partner)*.

## For More Information

Please call the Oregon Department of Energy at 1-800-221-8035 or visit our Web site at [www.oregon.gov/energy](http://www.oregon.gov/energy). You will find application forms, administrative rules, and examples of qualified projects.



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