

Tax Credits for Corporations



October 2007

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Note: Taxpayers must take the full amount of a credit allowed per year (ORS 314.078).

Type of Credit	Oregon Law	Date Credit Available	Excess Credit Carried Forward?	Tax Form Available?	Verification Required
Alternative Fuel Vehicle Fueling Stations	ORS 317.115	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.	No.	A verification form signed by contractor and owner, purchaser, or tenant.
<i>Description of Credit</i>	25 percent of cost of the fueling station, but not more than \$750.				
Biofuel Raw Materials Credit	HB 2210	For tax years beginning on or after January 1, 2007 and before January 1, 2013.	Yes, 4 years.	Yes, for reporting credit transfers. 150-101-179 Department of Revenue.	Written receipts from a biofuel producer to the agricultural producer or biomass collector claiming the credit.
<i>Description of Credit</i>	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.				
Bone Marrow Donor Expense (For carry-forward purposes only.)	ORS 315.604	For tax years beginning on or after January 1, 1991, and prior to January 1, 2002.	Yes, 5 years.	No.	Employer must retain details for audit verification.
<i>Description of Credit</i>	25 percent of employer's expense incurred during the year for employees who donate bone marrow.				
Child Care Division and Community Agency Contributions	ORS 315.213	For tax years beginning on or after January 1, 2002, and before January 1, 2013.	Yes, 4 years.	No.	Certificate issued by Child Care Division, 503-947-1418, or 1-800-556-6616, www.oregon.gov/EMPLOY
<i>Description of Credit</i>	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.				
Claim of Right	ORS 315.068	For tax years beginning on or after January 1, 1998.	No, the credit is refundable.	No.	Taxpayer must retain details for audit verification.
<i>Description of Credit</i>	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).				

Type of Credit	Oregon Law	Date Credit Available	Excess Credit Carried Forward?	Tax Form Available?	Verification Required
Contribution of Computers or Scientific Equipment for Research	ORS 317.151	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.	No.	Donor must retain details for audit verification.
<i>Description of Credit</i>	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.				
Crop Donation	ORS 315.156	For tax years beginning on or after January 1, 1986.	Yes, 3 years.	Yes, 150-101-240, Department of Revenue.	Donor must retain details for audit verification.
<i>Description of Credit</i>	Crop gleaning permitted by growers. 10 percent of wholesale market price of crop donated.				
Dependent Care • Assistance	ORS 315.204	For tax years beginning on or after January 1, 1988, and prior to January 1, 2017.	Yes, 5 years.	Yes, 150-102-032, Department of Revenue.	Certificate issued by Child Care Division, 503-947-1418 or 1-800-556-6616, www.oregon.gov/EMPLOY
<i>Description of Credit</i>	Dependent care assistance for employees. 50 percent of annual cost up to \$2,500 per benefitting employee.				
• Information and Referral	ORS 315.204	For tax years beginning on or after January 1, 1988, and prior to January 1, 2017.	Yes, 5 years.	Yes, 150-102-032, Department of Revenue.	Certificate issued by Child Care Division, 503-947-1418 or 1-800-556-6616, www.oregon.gov/EMPLOY
<i>Description of Credit</i>	Information and referral services to help employees obtain dependent care assistance. 50 percent of cost.				
Dependent Care Facilities (For carry forward purposes only)	ORS 315.208	The first year of the credit begins on or after January 1, 1988 and prior to January 1, 2002.	Yes, 5 years.	No.	Certificate issued by Child Care Division, 503-947-1418, or 1-800-556-6616. www.oregon.gov/EMPLOY
<i>Description of Credit</i>	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.				
Diesel Engine Replacement	Notes following ORS 315.356	Tax years beginning on or after January 1, 2005.	Yes, 4 years.	No.	Certification issued by the Federal Environmental Protection Agency.
<i>Description of Credit</i>	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.				
Diesel Engine Repower or Retrofit	Chapter 843, 2007 Oregon Laws	Tax years beginning on or after January 1, 2008.	Yes, 3 years.	Yes.	Certification issued by the Department of Environmental Quality, 503-229-6549 or www.oregon.gov/DEQ .
<i>Description of Credit</i>	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.				

Type of Credit	Oregon Law	Date Credit Available	Excess Credit Carried Forward?	Tax Form Available?	Verification Required
Emission Reducing Production Technology or Process. (Pollution Prevention) (For carry forward purposes only)	ORS 315.311. Refer to ORS 468A.098.	For tax years beginning on or after January 1, 1996. For facilities built before January 1, 2000.	Yes, 3 years.	No.	Certificates issued by Department of Environmental Quality, 503-229-6878. www.oregon.gov/DEQ
<i>Description of Credit</i>	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 taxpayer or one-tenth of the cost. Certification of a project is for five years.				
Employee and Dependent Scholarship Program Payments	ORS 315.237	For tax years beginning on or after January 1, 2002.	Yes, 5 years.	No.	Certified by Student Assistance Commission, 1-800-452-8807, ext. 7395, www.oregon.gov/OSAC
<i>Description of Credit</i>	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.				
Energy Conservation Facilities	ORS 315.354, 315.356, 469.185	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.	No.	Certificate issued by Office of Energy, toll-free 1-800-221-8035, www.oregon.gov/ENERGY
<i>Description of Credit</i>	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 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.				
Enterprise Zone Credits <ul style="list-style-type: none">• Electronic Commerce in Designated Enterprise Zone or City	ORS 315.507 and 315.508	For tax years beginning on or after January 1, 2002.	Yes, 5 years.	No.	Local enterprise zone authorization and qualification. Contact Economic and Community Development, 503-986-0123. econ.oregon.gov
<i>Description of Credit</i>	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.				
<ul style="list-style-type: none">• Long-Term Enterprise Zone Facilities	ORS 317.124, 317.125	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.	Yes, 150-102-043, Department of Revenue.	Taxpayer must receive written approval from the governor and retain details for audit verification. Contact Economic and Community Development, 503-986-0123, econ.oregon.gov
<i>Description of Credit</i>	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.				

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• Reservation Enterprise Zone	ORS 285C.309	For tax years beginning on or after January 1, 2002.	No.	Yes, 150-102-046, Department of Revenue.	Economic and Community Development, 503-986-0123, econ.oregon.gov
<i>Description of Credit</i>	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.				
Farm Machinery and Equipment	ORS 315.119 and 315.123	Tax years beginning on or after January 1, 2002 and before January 1, 2008.	Yes, 5 years.	No.	Farm owner or operator must retain details for audit verification.
<i>Description of Credit</i>	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.				
Farmworker Housing Project Investment	ORS 315.163-172	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.	Yes, 150-101-163, annual certification required for projects completed after Dec. 31, 1995.	Certified by Oregon Housing and Community Services, 503-986-2148, www.oregon.gov/OHCS
<i>Description of Credit</i>	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.				
Film Production Development Contributions	ORS 315.514	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.	No.	Certification issued by the Oregon Film and Video Office, 503-229-5832, www.oregonfilm.org
<i>Description of Credit</i>	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.				
First Break Program (For carry forward purposes only)	ORS 315.259	For qualified youth hired in tax years beginning on or after January 1, 1998, and before January 1, 2005.	Yes, 5 years.	No.	Employer must retain a copy of the certificate issued by a designated community-based organization.
<i>Description of Credit</i>	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.				
Fish Habitat Improvement	ORS 315.134	Beginning on or after January 1, 1988. Credit must be claimed for the year in which final certification is granted.	Yes, 5 years.	No.	
<i>Description of Credit</i>	The credit is 25 percent of the amount certified.				

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Fish Screening Devices	ORS 315.138	For final certifications in tax years beginning on or after January 1, 1990.	Yes, 5 years.	No.	Certificate issued by Department of Fish and Wildlife, 503-947-6229, www.oregon.gov/ODFW
<i>Description of Credit</i>	Installations of fish screening devices, bypass devices, or fishways. 50 percent of installation costs, not to exceed \$5,000 per device.				
Individual Development Accounts	ORS 315.271	For donations made on or after Oct. 23, 2000, to fiduciary organization approved by Oregon Housing and Community Services.	Yes, 3 years.	No.	Lender must retain detail for audit verification.
<i>Description of Credit</i>	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.				
Insurance: Available to Insurance Companies					
• Workers' Compensation Tax	ORS 317.122	All insurance credits can be claimed by both foreign and domestic insurance companies in tax years beginning on or after January 1, 1997.	No.	Yes, 150-102-044, Department of Revenue.	Companies must retain details for audit verification.
<i>Description of Credit</i>	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.				
• Fire Insurance Gross Premiums Tax	ORS 317.122		No.	No.	Companies must retain details for audit verification.
<i>Description of Credit</i>	Tax paid to the Insurance Division for Fire Marshal tax.				
• Guaranty Association Assessments: OLHIGA	ORS 734.835		No.	No.	Companies must retain details for audit verification.
<i>Description of Credit</i>	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).				
Lenders: Available to Commercial Lending Institutions					
• Lending Institution Loans for affordable Housing	ORS 317.097	For loans made on or after January 1, 1990, and before January 1, 2020.	Yes, 5 years.	Yes, 150-102-125, Department of Revenue.	File annual statement with Oregon Housing and Community Services, 503-986-2036, www.oregon.gov/OHCS
<i>Description of Credit</i>	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.				
• Energy Conservation Loans	ORS 317.112	For loans made on or after January 1, 1982.	Yes, 15 years for loans made after Sept. 28, 1991.	Yes, 150-102-125, Department of Revenue.	Lender must retain details for audit verification.
<i>Description of Credit</i>	Loans to improve space heating efficiency for oil- and wood-heated residences.				

Type of Credit	Oregon Law	Date Credit Available	Excess Credit Carried Forward?	Tax Form Available?	Verification Required
<ul style="list-style-type: none"> Farmworker Housing Loans 	ORS 317.147	For loans made on or after January 1, 1990. For farmworker housing projects completed on or after January 1, 2002.	No.	Yes, 150-102-125, Department of Revenue.	Lender must retain details for audit verification.
<i>Description of Credit</i>	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 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.				
Long-Term Care Insurance	ORS 315.610	Tax years beginning on or after January 1, 2000.	No.	No.	Taxpayer must retain details for audit verification.
<i>Description of Credit</i>	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.				
Motor Vehicle Insurance (Mile-based or time-based)	Notes following ORS 317.122	Tax years beginning on or after January 1, 2005 and before January 1, 2010.	No.	No.	Obtain a verified statement from the policy holder.
<i>Description of Credit</i>	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.				
On-Farm Processing Facilities	ORS 315.119	For tax years beginning on or after January 1, 2002, and before January 1, 2008.	Yes, 5 years.	No.	Contact Department of Revenue at 503-378-4988 or within Oregon at 1-800-356-4222, www.oregon.gov/DOR
<i>Description of Credit</i>	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.				
One-time Small Sales Credit	Chapter 4, 2007 Oregon Laws	A tax year that begins on or after January 1, 2007 and before January 1, 2008.	No.	No.	Amount of Oregon sales may be subject to verification.
<i>Description of Credit</i>	C corporations with Oregon sales of less than \$5 million may claim a credit equal to 67 percent of the income or excise taxes that would otherwise be due, but not less than the minimum excise tax.				
Plastics Recycling (For carry-forward purposes only.)	ORS 315.324	For investments made on or after January 1, 1986, and prior to January 1, 2002.	Yes, 5 years.	No.	Certificate issued by Department of Environmental Quality, 503-229-6878. www.oregon.gov/DEQ
<i>Description of Credit</i>	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.				
Pollution Control Facilities	ORS 315.304	For construction completed before January 1, 2008.	Yes, generally 3 years. Up to 3 additional years if certain conditions are met.	Yes, see www.oregon.gov/DEQ .	Certificate issued by Department of Environmental Quality, 503-229-6878, www.oregon.gov/DEQ
<i>Description of Credit</i>	For the prevention, control or reduction of air, water, or noise pollution, nonpoint source pollution; solid or hazardous waste; recycling; or disposal of used oil.				

Type of Credit	Oregon Law	Date Credit Available	Excess Credit Carried Forward?	Tax Form Available?	Verification Required
Qualified Research Activities	ORS 317.152, 317.153, and 317.154	For tax years beginning on or after January 1, 1989, and before January 1, 2012.	Yes, 5 years.	Yes, 150-102-128, Department of Revenue.	Companies must retain details for audit verification.
<i>Description of Credit</i>	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.				
Reforestation	ORS 315.104 and 315.106	For preliminary certification issued on or before Dec. 31, 2011.	Yes, 3 years.	No.	Certificate issued by Department of Forestry, 503-945-7368, www.oregon.gov/ODF
<i>Description of Credit</i>	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.				
Trust for Cultural Development Account Contributions	ORS 315.675	For donations made on or after December 1, 2002, in tax years beginning on or after January 1, 2002, and before January 1, 2013.	No.	No.	Proof of contribution must be provided if requested by Department of Revenue. Contact Oregon Cultural Trust, 503-986-0088, www.culturaltrust.org
<i>Description of Credit</i>	Credit is 100 percent of contributions to the account that are matched by an equal contribution to an Oregon cultural organization. Limited to \$500 per individual taxpayer, \$2,500 for corporations.				
University Venture Fund	ORS 315.521	Tax years beginning on or after January 1, 2006.	Yes, 5 years.	No.	Taxpayer must retain tax credit certificate issued by the Oregon University.
<i>Description of Credit</i>	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.				
Voluntary Removal of Riparian Land from Farm Production	ORS 315.113	Tax years beginning on or after January 1, 2004.	Yes, 5 years.	No.	Taxpayer must retain details for audit verification.
<i>Description of Credit</i>	Credit is 75 percent of the market value of crops foregone.				
Water Transit Vessel	ORS 315.517	For tax years beginning on or after January 1, 2006 and before January 1, 2013.	No.	No.	Employer must retain details for audit verification.
<i>Description of Credit</i>	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.				
Youth Apprenticeship Sponsorship	ORS 315.254	For tax years beginning on or after January 1, 1991.	Yes, 2 years.	No.	Employer must retain details for audit verification.
<i>Description of Credit</i>	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.				