

# Tax Credits for Corporations



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

If HB 2152 goes into effect, most credits will be subject to a 20 percent reduction of allowable tax credits when claimed for tax years beginning on or after January 1, 2003 and before January 1, 2006. The only credits not subject to the reduction are farmworker housing project credits (including transferred credits), lender's credit for affordable housing, and lender's credit for farmworker housing loans. **Note: Refer to the corporation tax booklets for the reduction worksheet.**

Type of Credit	Oregon Law	Date Credit Available	Excess Credit Carried Forward?	Tax Form Available?	Verification Required?
<b>Advanced Telecommunication Facilities</b>	ORS 315.511	For tax years beginning on or after Jan. 1, 2002. For facilities certified before December 31, 2005.	No.	Yes, 150-102-047, Department of Revenue.	Yes, certification issued by Economic and Community Development Department, 503-986-0123, <a href="http://www.econ.state.or.us">www.econ.state.or.us</a>
<i>Description of Credit</i> 20% of certified cost of advanced telecommunications facilities.					
<b>Alternative Fuel Vehicle Fueling Stations</b>	ORS 317.115	For contractor who constructs a fueling station as defined in ORS 469.160, placed in service on or after Jan. 1, 1998.	Yes, 5 years.	No.	Yes, a verification form signed by contractor and owner, purchaser, or tenant.
<i>Description of Credit</i> 25% of cost of the fueling station, but not more than \$750.					
<b>Bone Marrow Donor Expense</b>	ORS 315.604	For tax years beginning on or after Jan. 1, 1991, and prior to Jan. 1, 2002.	Yes, 5 years.	No.	Yes, employer must retain details for audit verification.
<i>Description of Credit</i> 25% of employer's expense incurred during the year for employees who donate bone marrow.					
<b>Child Care Division and Community Agency Contributions</b>	ORS 315.213	For tax years beginning on or after Jan. 1, 2002, and before Jan. 1, 2009.	Yes, 4 years.	No.	Yes, certificate issued by Child Care Division, 503-947-1418, or 1-800-556-6616, <a href="http://www.emp.state.or.us">www.emp.state.or.us</a>
<i>Description of Credit</i> The credit is allowed for certified contributions to the Child Care Division of the Employment Department or a selected community agency for the purpose of promoting child care. Beginning Jan. 1, 2004, the credit is allowed for certified contributions only to the Child Care Division. If credit is claimed, there may be an addition on the Oregon return.					
<b>Claim of Right</b>	ORS 315.068	For tax years beginning on or after Jan. 1, 1998.	No, the credit is refundable.	No.	Yes, 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?
<b>Contribution of Computers or Scientific Equipment for Research</b>	ORS 317.151	For contributions made in tax years beginning on or after Jan. 1, 1986, and prior to Jan. 1, 2010.	No, for credits earned prior to 1993.  Yes, 5 years for credits earned in tax years beginning on or after Jan. 1, 1993.	No.	Yes, 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 Jan. 1, 1998, qualified institutions include pre-kindergarten through grade 12. 10% of fair market value of qualified charitable contributions.				
<b>Crop Donation</b>	ORS 315.156	For tax years beginning on or after Jan. 1, 1986.	Yes, 3 years.	Yes, 150-101-240, Department of Revenue.	Yes, donor must retain details for audit verification.
<i>Description of Credit</i>	Crop gleaning permitted by growers. 10% of wholesale market price of crop donated.				
<b>Dependent Care</b> • <b>Assistance</b>	ORS 315.204	For tax years beginning on or after Jan. 1, 1988, and prior to Jan. 1, 2007.	Yes, 5 years.	Yes, 150-102-032, Department of Revenue.	Yes, employer must retain details for audit verification.
<i>Description of Credit</i>	Dependent care assistance for employees. 50% of cost but not more than \$2,500 per employee.				
• <b>Information and Referral</b>	ORS 315.204	For tax years beginning on or after Jan. 1, 1988, and prior to Jan. 1, 2007.	Yes, 5 years.	Yes, 150-102-032, Department of Revenue.	Yes, employer must retain details for audit verification.
<i>Description of Credit</i>	Information and referral services to help employees obtain dependent care assistance. 50% of cost.				
<b>Dependent Care Facilities</b>	ORS 315.208	The first year of the credit begins on or after Jan. 1, 1988 and prior to Jan. 1, 2002.	Yes, 5 years.	No.	Yes, certificate issued by Child Care Division. 503-947-1418, or 1-800-556-6616, <a href="http://www.emp.state.or.us">www.emp.state.or.us</a>
<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% 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.				
<b>Electronic Commerce in a Designated Enterprise Zone</b>	ORS 315.507	For tax years beginning on or after Jan. 1, 2002.	Yes, 5 years.	No.	Yes, enterprise zone with the Economic and Community Development, 503-986-0123, <a href="http://www.econ.state.or.us">www.econ.state.or.us</a>
<i>Description of Credit</i>	A property tax exemption and a nonrefundable income tax corporation excise or income tax credit will be available for a qualified business engaged in e-commerce in an enterprise zone for 25% of investment in electronic commerce operations, limited to \$2 million.				

Type of Credit	Oregon Law	Date Credit Available	Excess Credit Carried Forward?	Tax Form Available?	Verification Required?
<b>Emission Reducing Production Technology or Process. (Pollution Prevention)</b>  <i>Description of Credit</i>	ORS 315.311	For tax years beginning on Jan. 1, 1996, for facilities built before Jan. 1, 2000.	Yes, 3 years.	No.	Yes, certificates issued by Department of Environmental Quality, 503-229-6878.
<b>Employee and Dependent Scholarship Program Payments</b>  <i>Description of Credit</i>	ORS 315.237	For tax years beginning on or after Jan. 1, 2002.	Yes, 5 years.	No.	Certified by Student Assistance Commission, 1-800-452-8807, ext. 7395, <a href="http://www.osac.state.or.us">www.osac.state.or.us</a>
<b>Energy Conservation Facilities</b>  <i>Description of Credit</i>	ORS 315.354, 315.356 and 469.185	For tax years beginning on or after Jan. 1, 1980.	Yes, 8 years.	No.	Yes, certificate issued by Office of Energy, toll-free 1-800-221-8035, <a href="http://www.energy.state.or.us">www.energy.state.or.us</a>
<b>Farmworker Housing Project Investment</b>  <i>Description of Credit</i>	ORS 315.164, 315.167, and 315.169	For projects started and completed in tax years beginning on or after Jan. 1, 1990.	Yes, 9 years.	Yes, 150-101-163, annual certification required for projects completed after Dec. 31, 1995.	Yes, certified by Oregon Housing and Community Services, 503-986-2148, <a href="http://www.hcs.state.or.us">www.hcs.state.or.us</a> .
<b>First Break Program</b>  <i>Description of Credit</i>	ORS 315.259	For qualified youth hired in tax years beginning on or after Jan. 1, 1998, and before Jan. 1, 2005.	Yes, 5 years.	No.	Yes, employer must retain a copy of the certificate issued by a designated community-based organization.
<b>Fish Habitat Improvement (For carry forward purposes only)</b>  <i>Description of Credit</i>	ORS 315.134	Beginning on or after Jan. 1, 1988. Credit must be claimed for the year in which final certification is granted.	Yes, 5 years.	No.	

Type of Credit	Oregon Law	Date Credit Available	Excess Credit Carried Forward?	Tax Form Available?	Verification Required?
<b>Fish Screening Devices</b>  <i>Description of Credit</i>	ORS 315.138	For final certifications in tax years beginning on or after Jan. 1, 1990.	Yes, 5 years.	No.	Yes, certificate issued by Department of Fish and Wildlife, 503-947-6229, <a href="http://www.dfw.state.or.us">www.dfw.state.or.us</a>
Installations of fish screening devices, bypass devices, or fishways. 50% of installation costs, not to exceed \$5,000 per device.					
<b>Individual Development Accounts</b>  <i>Description of Credit</i>	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.	Yes, lender must retain detail for audit verification.
Lesser of \$25,000 or 25% of the donated amount for donations made before Jan. 1, 2002. Lesser of \$75,000 or 75% of the donated amount for donations made on or after Jan. 1, 2002.					
<b>Insurance: Available to Insurance Companies</b>  • <b>Workers' Compensation Tax</b>  <i>Description of Credit</i>	ORS 317.122	All insurance credits can be claimed by both foreign and domestic insurance companies in tax years beginning on or after Jan. 1, 1997.	No.	No; worksheet on circular 150-102-044, Department of Revenue.	Yes, companies must retain details for audit verification.
Lesser of the workers' compensation premium assessment or the excise tax on the profit attributable to the workers' compensation line of business.					
• <b>Fire Insurance Gross Premiums Tax</b>  <i>Description of Credit</i>	ORS 317.122		No.	No.	Yes, companies must retain details for audit verification.
Tax paid to the Insurance Division for Fire Marshal tax.					
• <b>Guaranty Association Assessments:</b>  OLHIGA  <i>Description of Credit</i>	ORS 734.835		No.	No.	Yes, companies must retain details for audit verification.
A credit for 20% of the amount paid in each of the 5 calendar years following the year in which the assessment is paid to either the Oregon Life and Health Insurance Guaranty Association (OLHIGA) or the Oregon Insurance Guaranty Association (OIGA).					

Type of Credit	Oregon Law	Date Credit Available	Excess Credit Carried Forward?	Tax Form Available?	Verification Required?
<b>Lenders: Available to Commercial Lending Institutions</b> <ul style="list-style-type: none"> <li>• <b>Lending Institution Loans for Housing (Low-Income Housing)</b></li> </ul>	ORS 317.097	For loans made on or after Jan. 1, 1990, and before Jan. 1, 2010.	Yes, 5 years.	Yes, 150-102-125, Department of Revenue.	Yes, file annual statement with Oregon Housing and Community Services, 503-986-2036, <a href="http://www.hcs.state.or.us">www.hcs.state.or.us</a>
<i>Description of Credit</i> Loans to finance certified housing projects for low-income households.					
<ul style="list-style-type: none"> <li>• <b>Energy Conservation Loans</b></li> </ul>	ORS 317.112	For loans made on or after Jan. 1, 1982.	No, excess credit is refunded for loans made before Sept. 29, 1991. Yes, 15 years for loans made after Sept. 28, 1991.	Yes, 150-102-125, Department of Revenue.	Yes, lender must retain details for audit verification.
<i>Description of Credit</i> Loans to improve space heating efficiency for oil- and wood-heated residences.					
<ul style="list-style-type: none"> <li>• <b>Farmworker Housing Loans</b></li> </ul>	ORS 317.147	For loans made on or after Jan. 1, 1990. For farmworker housing projects completed on or after Jan. 1, 2002. Nonprofit lenders with no tax liability may sell the credit to other taxpayers. See OAR 150-317.147 for more information.	No.	Yes, 150-102-125, Department of Revenue.	Yes, 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% if the loan was made in tax years beginning on or after Jan. 1, 1996, and the farmworker housing project was completed before Jan. 1, 2002. The credit is equal to 50% if the loan was made in tax years beginning before Jan. 1, 1996, or if the farmworker housing project was completed on or after Jan. 1, 2002. Claimed over the term of the loan or 10 years, whichever is shorter.					
<b>Long-Term Care Insurance</b>	ORS 315.610	Tax years beginning on or after Jan. 1, 2000.	No.	No.	Yes, taxpayer must retain details for audit verification.
<i>Description of Credit</i> 15% (up to \$500) of premiums paid by employers to cover each Oregon-based employee. For policies issued on or after Jan. 1, 2000.					
<b>Long-Term Enterprise Zone Facilities</b>	ORS 317.124	For a 5- to 15-year period; for tax years beginning on or after Jan. 1, 1998, and within 3 years of date placed in service.	Yes, 5 years beyond 5- to 15-year period.	Yes, 150-102-043, Department of Revenue.	Yes, taxpayer must receive written approval from the governor and retain details for audit verification. Contact Economic and Community Development, 503-986-0123, <a href="http://www.econ.state.or.us">www.econ.state.or.us</a>
<i>Description of Credit</i> Constructing or operating a facility in a nonurban enterprise zone. Corp excise tax credit of 62.5% 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 or meeting specified criteria. Also, an ad valorem and property tax exemption.					

Type of Credit	Oregon Law	Date Credit Available	Excess Credit Carried Forward?	Tax Form Available?	Verification Required?
<b>On-Farm Processing Facilities</b>  <i>Description of Credit</i>	ORS 315.119	For tax years beginning on or after Jan. 1, 2002, and before Jan. 1, 2008.	Yes, 5 years.	No.	Contact Department of Revenue at 503-378-4988 or within Oregon at 1-800-356-4222, <a href="http://www.dor.state.or.us">www.dor.state.or.us</a>
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.					
<b>Pollution Control Facilities</b>  <i>Description of Credit</i>	ORS 315.304	For construction completed before Jan. 1, 2008.	Yes, generally 3 years. Up to 3 additional years if certain conditions are met.	Yes, see <a href="http://www.deq.state.or.us">www.deq.state.or.us</a>  Look under programs and then alpha site index, tax credits.	Yes, certificate issued by Department of Environmental Quality, 503-229-6878, <a href="http://www.deq.state.or.us">www.deq.state.or.us</a>
Prevention, control or reduction of air, water, noise, solid waste or nonpoint source pollution, recycling, or disposing of used oil. The percentage on estimated costs times the certified allocable cost, claimed equally over shorter of 10 years or useful life of facility.					
<b>Qualified Research Activities</b>  <i>Description of Credit</i>	ORS 317.152, 317.153, and 317.154	For tax years beginning on or after Jan. 1, 1989, and before Jan. 1, 2012.	Yes, 5 years.	Yes, 150-102-128, Department of Revenue.	Yes, companies must retain details for audit verification.
5% of increase in qualified research expenses and basic research payments (IRS Sec. 41), or 5% of qualified research expenses that exceed 10% of Oregon sales. Maximum credit of \$500,000. Limited to research activities in Oregon.					
<b>Reclaimed Plastics Recycling</b>  <i>Description of Credit</i>	ORS 315.324	For investments made on or after Jan. 1, 1986, and prior to Jan. 1, 2002.	Yes, 5 years.	No.	Yes, certificate issued by Department of Environmental Quality, 503-229-6878.
Investments needed to collect, transport, process, or manufacture a reclaimed plastic product. 10% of certified cost of investment for 5 tax years starting in the year of final certification.					
<b>Reforestation</b>  <i>Description of Credit</i>	ORS 315.104 and 315.106	For preliminary certification for tax years beginning on or after Jan. 1, 1987. Certification must be issued before Jan. 1, 2002.	Yes, 3 years.	No.	Yes, certificate issued by Department of Forestry, 503-945-7368, <a href="http://www.odf.state.or.us">www.odf.state.or.us</a>
Develop underproductive forestland into a commercial forest. 30% of project costs (one-half in two different years) for tax years beginning before Jan. 1, 2001. 50% for tax years beginning on or after Jan. 1, 2001.					
<b>Reservation Enterprise Zone</b>  <i>Description of Credit</i>	ORS 285B.773	For tax years beginning on or after Jan. 1, 2002.	No.	Yes, 150-102-046, Department of Revenue.	Yes, Department of Economic and Community Development, 503-986-0123, <a href="http://www.econ.state.or.us">www.econ.state.or.us</a>
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.					

Type of Credit	Oregon Law	Date Credit Available	Excess Credit Carried Forward?	Tax Form Available?	Verification Required?
<b>Riparian Land, Voluntary Removal From Farm Production</b> <i>Description of Credit</i>	ORS 315.113	Beginning on or after Jan. 1, 2004.	Yes, 5 years.	No.	Yes, taxpayer must retain details for audit verification.
Credit is 75% of the market value of crops foregone.					
<b>Trust for Cultural Development Account Contributions</b> <i>Description of Credit</i>	ORS 315.675	For donations made on or after Dec. 1, 2002, in tax years beginning on or after Jan. 1, 2002, and before Jan. 1, 2013.	No.	No.	Proof of contribution must be provided if requested by Department of Revenue.
Credit is 100% 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.					
<b>Youth Apprenticeship Sponsorship</b> <i>Description of Credit</i>	ORS 315.254	Beginning on or after Jan. 1, 2002.	Yes, 2 years.	No.	Yes, employer must retain details for audit verification.
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. Unused credit may be carried forward for two years. The taxpayer who sponsors students must have begun participating in the youth apprenticeship program prior to November 4, 1993.					

## Questions?

Telephone: Salem ..... 503-378-4988  
Toll-free within Oregon .... 1-800-356-4222

TTY (hearing or speech impaired; machine only): 503-945-8617  
(Salem) or 1-800-886-7204 (toll-free within Oregon).

**Americans with Disabilities Act (ADA):** This information is available in alternative formats. Call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free within Oregon).

For general tax information: [www.dor.state.or.us](http://www.dor.state.or.us)

**Asistencia en español. Llame al 503-945-8618 en Salem o llame gratis al 1-800-356-4222 en Oregon.**