

Requested by Representative RESCHKE

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 3302**

1 On page 1 of the printed A-engrossed bill, delete lines 5 through 27 and
2 delete pages 2 through 4 and insert:

3 **“SECTION 1. Sections 2 and 3 of this 2021 Act are added to and
4 made a part of ORS chapter 315.**

5 **“SECTION 2. As used in this section and section 3 of this 2021 Act:**

6 **“(1) ‘Workforce renewal services’ includes:**

7 **“(a) Direct services and support intended to help individuals to ob-
8 tain employment in the form of secure living wage sustainable jobs
9 with career potential.**

10 **“(b) Job search assistance, job search training, work experience,
11 supported work employment, subsidized employment, apprenticeships
12 and internships.**

13 **“(c) Employment-related barrier removal services, including assist-
14 ance in obtaining social security cards, driver licenses and resolving
15 legal impediments to employment.**

16 **“(d) Life skills training directly related to employment, including
17 resume development, job interview skills, approaching and following
18 up with employers, workplace communication, workplace etiquette,
19 workplace appearance and hygiene, enhancing organizational skills,
20 employee health and wellness, career goal setting, balancing family
21 and job responsibilities and personal financial management.**

1 **“(2) ‘Workforce training organization’ means a private, nonprofit**
2 **organization that:**

3 **“(a) Qualifies as a tax-exempt organization under section 501(c)(3)**
4 **of the Internal Revenue Code;**

5 **“(b) Has a mission statement that promotes work and self-**
6 **sufficiency;**

7 **“(c) Provides workforce renewal services directly to clients;**

8 **“(d) Spends at least 50 percent of its annual budget for direct ser-**
9 **vices to clients related to promoting work and self-sufficiency;**

10 **“(e) Is classified in the National Taxonomy of Exempt Entities -**
11 **Core Codes system under one of the following codes denoting provision**
12 **of employment and job-related services:**

13 **“(A) J21 Vocational counseling, guidance and testing;**

14 **“(B) J22 Employment training;**

15 **“(C) J33 Sheltered remunerative employment at a work activity**
16 **center, not otherwise classified; or**

17 **“(D) J99 Employment or job related and not otherwise classified;**
18 **and**

19 **“(f) As of the date of the taxpayer’s contribution for which a credit**
20 **is claimed under section 3 of this 2021 Act, has been incorporated and**
21 **delivering workforce renewal services for at least two years.**

22 **“SECTION 3. (1) A credit against taxes that are otherwise due under**
23 **ORS chapter 316 or, if the taxpayer is a corporation, under ORS**
24 **chapter 317 or 318, is allowed to a taxpayer for cash contributions made**
25 **during the tax year to a workforce training organization. A credit**
26 **under this section is not allowed if the taxpayer designates the**
27 **taxpayer’s contributions to a workforce training organization for the**
28 **direct benefit of any dependent of the taxpayer, or if the taxpayer**
29 **designates a beneficiary as a condition of the taxpayer’s contribution**
30 **to the workforce training organization.**

1 **“(2) The amount of the credit allowed under this section shall be**
2 **the least of:**

3 **“(a) The amount of contribution made by the taxpayer, less any**
4 **amount of deduction claimed under section 170 of the Internal Reve-**
5 **nue Code for the contribution;**

6 **“(b) \$250, if the return is filed under ORS chapter 316, or \$2,500, if**
7 **the return is filed under ORS chapter 317 or 318; or**

8 **“(c) The tax liability of the taxpayer for the tax year.**

9 **“(3) A taxpayer claiming the credit allowed under this section shall,**
10 **as required by the Department of Revenue by rule, retain in the**
11 **taxpayer’s tax records receipts or other means of substantiation of the**
12 **contribution for which the credit is claimed.**

13 **“(4) The credit allowed under this section may not exceed the tax**
14 **liability of the taxpayer for the tax year.**

15 **“(5) Any tax credit otherwise allowable under this section that is**
16 **not used by the taxpayer in a particular tax year may be carried for-**
17 **ward and offset against the taxpayer’s tax liability for the next suc-**
18 **ceeding tax year. Any credit remaining unused in the next succeeding**
19 **tax year may be carried forward and used in the second succeeding tax**
20 **year, and likewise any credit not used in that second succeeding tax**
21 **year may be carried forward and used in the third succeeding tax year**
22 **but may not be carried forward for any tax year thereafter.**

23 **“(6) A nonresident shall be allowed the credit under this section.**
24 **The credit shall be computed in the same manner and be subject to**
25 **the same limitations as the credit granted to a resident. However, the**
26 **credit shall be prorated using the proportion provided in ORS 316.117.**

27 **“(7) If a change in the taxable year of the taxpayer occurs as de-**
28 **scribed in ORS 314.085, or if the Department of Revenue terminates the**
29 **taxpayer’s taxable year under ORS 314.440, the credit allowed by this**
30 **section shall be prorated or computed in a manner consistent with**

1 **ORS 314.085.**

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

6 **“SECTION 4.** ORS 314.772 is amended to read:

7 “314.772. (1) Except as provided in ORS 314.766 (5)(b), the tax credits al-
8 lowed or allowable to a C corporation for purposes of ORS chapter 317 or
9 318 shall not be allowed to an S corporation. The business tax credits al-
10 lowed or allowable for purposes of ORS chapter 316 shall be allowed or are
11 allowable to the shareholders of the S corporation.

12 “(2) In determining the tax imposed under ORS chapter 316, as provided
13 under ORS 314.763, on income of the shareholder of an S corporation, there
14 shall be taken into account the shareholder’s pro rata share of business tax
15 credit (or item thereof) that would be allowed to the corporation (but for
16 subsection (1) of this section) or recapture or recovery thereof. The credit (or
17 item thereof), recapture or recovery shall be passed through to shareholders
18 in pro rata shares as determined in the manner prescribed under section
19 1377(a) of the Internal Revenue Code.

20 “(3) The character of any item included in a shareholder’s pro rata share
21 under subsection (2) of this section shall be determined as if such item were
22 realized directly from the source from which realized by the corporation, or
23 incurred in the same manner as incurred by the corporation.

24 “(4) If the shareholder is a nonresident and there is a requirement appli-
25 cable for the business tax credit that in the case of a nonresident the credit
26 be allowed in the proportion provided in ORS 316.117, then that provision
27 shall apply to the nonresident shareholder.

28 “(5) As used in this section, ‘business tax credit’ means the following
29 credits: ORS 315.104 (forestation and reforestation), ORS 315.138 (fish
30 screening, by-pass devices, fishways), ORS 315.141 (biomass production for

1 biofuel), ORS 315.156 (crop gleaning), ORS 315.164 and 315.169 (agriculture
2 workforce housing), ORS 315.176 (bovine manure), ORS 315.204 (dependent
3 care assistance), ORS 315.208 (dependent care facilities), ORS 315.213 (con-
4 tributions for child care), ORS 315.237 (employee and dependent scholar-
5 ships), ORS 315.271 (individual development accounts), ORS 315.304
6 (pollution control facility), ORS 315.326 (renewable energy development con-
7 tributions), ORS 315.331 (energy conservation projects), ORS 315.336 (trans-
8 portation projects), ORS 315.341 (renewable energy resource equipment
9 manufacturing facilities), ORS 315.354 and 469B.151 (energy conservation fa-
10 cilities), ORS 315.506 (tribal taxes on reservation enterprise zones and res-
11 ervation partnership zones), ORS 315.507 (electronic commerce), ORS 315.514
12 (film production development contributions), ORS 315.523 (employee training
13 programs), ORS 315.533 (low income community jobs initiative), ORS 315.593
14 (short line railroads), ORS 315.640 (university venture development funds),
15 ORS 315.643 (Opportunity Grant Fund contributions), ORS 315.675 (Trust for
16 Cultural Development Account contributions), ORS 317.097 (loans for af-
17 fordable housing), ORS 317.124 (long term enterprise zone facilities), ORS
18 317.147 (loans for agriculture workforce housing), ORS 317.152 (qualified re-
19 search expenses) and ORS 317.154 (alternative qualified research expenses)
20 and section 9, chapter 774, Oregon Laws 2013 (alternative fuel vehicle con-
21 tributions), **and section 3 of this 2021 Act (workforce training organ-
22 izations).**

23 **SECTION 5.** ORS 318.031 is amended to read:

24 “318.031. It being the intention of the Legislative Assembly that this
25 chapter and ORS chapter 317 shall be administered as uniformly as possible
26 (allowance being made for the difference in imposition of the taxes), ORS
27 305.140 and 305.150, ORS chapter 314 and the following sections are incor-
28 porated into and made a part of this chapter: ORS 315.104, 315.141, 315.156,
29 315.176, 315.204, 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.506,
30 315.507, 315.523, 315.533, 315.593 and 315.643 **and section 3 of this 2021 Act**

1 (all only to the extent applicable to a corporation) and ORS chapter 317.

2 **“SECTION 6. Sections 2 and 3 of this 2021 Act apply to tax years**
3 **beginning on or after January 1, 2021, and before January 1, 2031.**

4 **“SECTION 7. This 2021 Act takes effect on the 91st day after the**
5 **date on which the 2021 regular session of the Eighty-first Legislative**
6 **Assembly adjourns sine die.”.**

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