

DEPARTMENT OF ENVIRONMENTAL QUALITY
Chapter 340
Proposed Rulemaking
STATEMENT OF NEED AND FISCAL AND ECONOMIC IMPACT

Housekeeping and streamlining for DEQ-administered tax credits

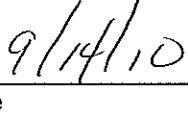
This form accompanies a Notice of Proposed Rulemaking


Title of Proposed Rulemaking	Housekeeping and streamlining for DEQ-administered tax credits
Statutory Authority or other Legal Authority	ORS 468.020, ORS 468.150, ORS 468A.098; chapter 618, Oregon Laws 2003, Sec. 31-32, reprinted in a note following ORS 315.356
Statutes Implemented	ORS 468.150-190; 468A.095, 468A.096, 468A.098; chapter 618, Oregon Laws 2003, Sec. 28-32, reprinted in a note following ORS 315.356
Need for the Rule(s)	<p>To reduce workload and increase response time to complete pollution control certificate administration, the EQC requested DEQ perform certificate transfers, reissuance, revocations or reinstatements typically when a certificate holder sells a pollution control facility, changes their legal name or ceases operating the facility. In 2009, the Environmental Quality Commission issued the last <u>Pollution Control Tax Credit</u> certificate under ORS 468.150-190. With no new facility certifications, certificate administration does not warrant a separate action item on the EQC agenda. EQC and DEQ continue to have certificate administration responsibilities through 2018 and reporting responsibility through 2023.</p> <p>To reduce Secretary of State charges for maintaining rules beyond program deadlines and any ability to claim the credit on the Oregon tax return, this proposal would repeal <u>pollution prevention</u> tax credit rules. The pollution prevention tax credit was a 4-year pilot program with a December 31, 1999 deadline for project completion. The EQC issued the last tax credit certificate in 2000 under ORS 468A.095 through 468A.098, certificate holders could claim the credit over 5 years and ORS 315.311 provided a 4-year carry forward of any unused credits. The last year to claim unused credits on the Oregon return was 2008.</p> <p>To align <u>truck engine tax credit</u> rules to 2009 amendments to 2003 Oregon Law, this proposal would amend the period for certificate issuance from December 31, 2011 to December 31, 2013.</p>
Documents Relied Upon for Rulemaking	OAR 340-016, ORS 468.020, ORS 150; chapter 618, Oregon Laws 2003, Sec. 28-32, reprinted in a note following ORS 315.356
Requests for Other Options	Pursuant to ORS 183.335(2)(b)(G), DEQ requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.
Fiscal and Economic Impact, Statement of Cost Compliance	
Overview	This rulemaking is for housekeeping purposes and has no cost of compliance. The truck engine tax credit rule aligns to 2009 legislation that extended certification to December 31, 2013. The legislative extension has the potential to reduce state revenues by \$1,000,000.
Impacts on the General Public	No impact to general public
Impacts to Small Business (50 or fewer employees – ORS183.310(10))	No impact to small business

Cost of Compliance on Small Business (50 or fewer employees – ORS183.310(10))	a) Estimated number of small businesses subject to the proposed rule	No cost of compliance on small business
	b) Types of businesses and industries with small businesses subject to the proposed rule	Not applicable
	c) Projected reporting, recordkeeping and other administrative activities required by small businesses for compliance with the proposed rule, including costs of professional services	Not applicable
	d) The equipment, supplies, labor, and increased administration required by small businesses for compliance with the proposed rule	Not applicable
	e) A description of the manner in which DEQ involved small businesses in the development of this rulemaking	Not applicable
Impacts on Large Business (all businesses that are not "small businesses" under ORS183.310(10))	Describe projected fiscal and economic impacts. No impact on large business	
Impacts on Local Government	No impact on local government	
Impacts on State Agencies other than DEQ	No economic or fiscal impact on other state agencies	
Impacts on DEQ	Minor reductions in EQC preparation and presentation time, reduced cost to maintain obsolete rules	
Assumptions	None	
Housing Costs	DEQ has determined that this proposed rulemaking will have no effect on the cost of development of a 6,000 square foot parcel and the construction of a 1,200 square foot detached single-family dwelling on that parcel.	
Administrative Rule Advisory Committee	DEQ did not use an advisory committee. The proposed changes are for minor housekeeping and program streamlining.	

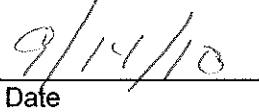

Prepared by


Printed name


Date


Approved by DEQ Budget Office


Printed name


Date