

Housekeeping and streamlining of DEQ-administered tax credits



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Department of
Environmental
Quality

Management Services Division

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www.oregon.gov/DEQ/

DEQ and EQC have the statutory authority to address this issue under ORS 468.020. These rules implement ORS 340-016.

Background

The Oregon Department of Environmental Quality proposes the following changes to [OAR 340-016](#):

- Adopt and amend pollution control tax credits rules to allow DEQ perform certificate administration on behalf of the Environmental Quality Commission;
- Repeal the pollution prevention tax credit pilot program rules. The pilot program ended in 1999.
- Amend the truck engine tax credit rule to align rules to 2009 legislation that extends truck engine certification to December 31, 2013

Why are the rule changes needed?

Pollution control tax credits

The EQC approved the last new facility certification under [ORS 468.150-190](#) and asked DEQ to take over certificate administration in 2009. The EQC and DEQ continue to have certificate administration responsibilities through 2018 and reporting responsibility through 2023. Certificate administration includes certificate transfers, reissuance, revocations or reinstatements after a certificate holder sells a pollution control facility, changes their legal name or changes the facility's operating status.

Pollution prevention tax credit

After the 4-year pilot project completion deadline on December 31, 1999, 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 was 2008.

Truck engine tax credit

The rules do not align with 2009 amendments to extend new truck engine certification to December 31, 2013. Chapter 618, Oregon Laws 2003 is in a legislative note after [ORS 315.356](#) rather than in statute.

What is the objective of this rulemaking?

The objective of this rulemaking is to transfer certificate administration of pollution control tax credits to DEQ in order to streamline certificate administration and reduce workload.

For the pollution prevention tax credit, DEQ seeks to reduce Secretary of State maintenance cost for rules that extend beyond program deadlines and eliminate any ability to claim the credit on Oregon tax returns.

Finally, DEQ seeks to align rules for the truck engine tax credit with Oregon law.

Who may be affected?

These proposed rules will be transparent to pollution control certificate holders and new truck engine applicants.

This rulemaking aligns rules to 2009 legislation that extends truck engine certification to December 31, 2013. Oregon tax credits reduce the amount of Oregon taxes owed. Extending certification increases the maximum potential impact to state revenues by \$1,000,000.

How was this proposal developed?

DEQ did not convene an advisory committee to develop this rulemaking because the proposed rules are housekeeping in nature, do not affect the application or certification, and implementation would be transparent. DEQ relied on the statutes and rules referenced in this announcement. If you need an electronic or printed copy, email or call Maggie Vandehey. Contact information is on the right sidebar of this document.

Additional materials available

The documents listed below provide additional information about this proposed rulemaking.

- Proposed Rule Changes
- Statement of Need and Fiscal Impact
- Land Use Evaluation Statement
- Relationship to Federal Requirements

They are available on DEQ rulemaking page:
www.deq.state.or.us/regulations/rulemaking.htm.

How to comment

Please submit comments to DEQ on the proposed rulemaking by the comment deadline:

Monday, October 25, 2010 at 5:00 PM

DEQ encourages you to submit email comments in the promotion of sustainable, economical business practices.

By email:

TaxCreditRulemaking@deq.state.or.us

This email address does not accept content over 10 megabytes. To avoid potential delays between servers, please consider submitting email comments early. DEQ's server will email a receipt. The time and date on the receipt must meet the comment deadline. Contact Maggie Vandehey if you do not get a receipt or you need to send email content that exceeds 10 megabytes.

By mail:

Oregon DEQ, Management Services
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By fax: Attn: Maggie Vandehey
(503) 229-6730

Comment deadline is

Monday, October 25, 2010 at 5:00 PM

All comments are due to DEQ by 5 PM on Monday, October 25, 2010. DEQ cannot consider comments **received** after the deadline for public comment.

How will rules be adopted?

DEQ:

- Will prepare a response to all written comments received before Monday, October 25, 2010, 5:01 PM
- May modify the proposed rules
- Plans to recommend that the EQC change the rules as outlined under the Background section above at the December 9-10, 2010 EQC meeting
- Will provide notice of the time and place for final EQC action to any person that requests placement on DEQ's mailing list for this rulemaking

Accessibility information

DEQ is committed to accommodating people with disabilities. Please notify DEQ of any special physical or language accommodations or if you need information in large print, Braille or another format. To make these arrangements, contact DEQ Communications and Outreach at (503) 229-5696 or call toll-free in Oregon at (800) 452-4011; fax to (503) 229-6762; or e-mail deqinfo@deq.state.or.us.

People with hearing impairments may call 711.