

STATE OF OREGON

Income Tax Credit for Purchase of Electric Vehicle and Electric Vehicle Chargers

Short Description: Non-refundable income tax credit of up to \$750 for the purchase of an electric vehicle or an electric vehicle charger.

Beneficiary: Purchaser of a qualified electric vehicle that is titled in Oregon

Type of Incentive: Non-refundable income tax credit

Effective Dates: Current benefit, no sunset date

Value of Benefit: The amount of the credit 25% of the cost of the alternative fuel device up to a maximum total of \$750 for each alternative fuel device, claimed by the purchaser on Form OR-ASC. The amount is then transferred to Oregon Form 40, Line 39.

Full Description:

Residents of Oregon are allowed a personal income tax credit for the costs paid or incurred to modify or purchase an alternative fuel device (316.116(1)(b)). The amount of the credit is 25% of the cost of the alternative fuel device up to a maximum total of \$750 for each alternative fuel device (316.116(2)(d)). For tax years after 2009, if an alternative fuel vehicle is a gasoline-electric hybrid vehicle not designed for electric plug-in-charging, the vehicle does not qualify for any credit.

In the case of an alternative fuel device, if the device is a fuel station necessary to operate an alternative fuel vehicle, unless the verification form and certificate are transferred, the taxpayer who is allowed the credit must be the contractor who constructs the dwelling that incorporates the fueling station into the dwelling or installs the fueling station in the dwelling. If the alternative energy device is an alternative fuel vehicle, the credit must be claimed by the owner or contract purchaser. If the alternative energy device is related equipment for an alternative fuel vehicle, the credit may be claimed by the owner or contract purchaser (316.116(4)(c)). The credit must be claimed for the tax year in which the alternative energy device was purchased if the device is operational by April 1 of the next following tax year.

*Alternative fuel device means any of the following (469.160(2)):

An alternative fuel vehicle: A motor vehicle that is registered in this state, and manufactured or modified to use an alternative fuel, including electricity (469.160(3)). Eligible costs for this credit include the difference between the cost of the alternative fuel vehicle and the same vehicle or functionally similar vehicle manufactured to use conventional gasoline or diesel fuel or, in the case of modification of an existing vehicle, the cost of the modification. "Cost" does not include any amounts paid for remodification of the same vehicle (469.160(8)(b)).

Related Equipment: The cost of the related equipment and any modifications or additions to the related equipment necessary to prepare the related equipment for use in converting a vehicle to alternative fuel use (469.160(8)(d)).

A fueling station necessary to operate an alternative fuel vehicle: The cost to the contractor of constructing or installing the fueling station in a dwelling and of making the fuel station operational in accordance with the specifications issued under ORS 469.160 to 469.180 and any rules adopted by the Director of the State Department of Energy (469.160(8)(c)).

State Statutory references:

- Oregon Code 316.116 (reproduced below)
 - <http://www.leg.state.or.us/ors/316.html>

- Oregon Code 469.160 (reproduced below)
 - <http://www.leg.state.or.us/ors/469.html>

Other Link(s):

- <http://www.afdc.energy.gov/afdc/laws/law/OR/5315> (AFDC website)

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Title 29 REVENUE AND TAXATION

Chapter 316 PERSONAL INCOME TAX

Credits

Or. Rev. Stat. § 316.116 Credit for alternative energy device, energy efficient appliance, alternative fuel vehicle or alternative fuel device.

§ 316.116 -- Credit for alternative energy device, energy efficient appliance, alternative fuel vehicle or alternative fuel device.

(1)

(a) A resident individual shall be allowed a credit against the taxes otherwise due under this chapter for costs paid or incurred for construction or installation of each of one or more alternative energy devices in a dwelling.

(b) A resident individual shall be allowed a credit against the taxes otherwise due under this chapter for costs paid or incurred to modify or purchase an alternative fuel vehicle or related equipment.

(2)

(a) In the case of a category one alternative energy device that is not an alternative fuel device, the credit shall be based upon the first year energy yield of the alternative energy device that qualifies under ORS 469.160 to 469.180 . The amount of the credit shall be the same whether for collective or noncollective investment.

(b) The credit allowed under this section for each category one alternative energy device for each dwelling may not exceed the lesser of:

(A) \$1,500 or the first year energy yield in kilowatt hours per year multiplied by 60 cents per dwelling utilizing the alternative energy device used for space heating, cooling, electrical energy or domestic water heating for tax years beginning on or after January 1, 1990, and before January 1, 1996.

(B) \$1,200 or the first year energy yield in kilowatt hours per year multiplied by 48 cents per dwelling utilizing the alternative energy device used for space heating, cooling, electrical energy or domestic water heating for tax years beginning on or after January 1, 1996, and before January 1, 1998.

(C) \$1,500 or the first year energy yield in kilowatt hours per year multiplied by 60 cents per dwelling utilizing the alternative energy device used for space heating, cooling, electrical energy or domestic water heating for tax years beginning on or after January 1, 1998.

(c) For each category one alternative energy device used for swimming pool, spa or hot tub heating, the credit allowed under this section shall be based upon 50 percent of the cost of the device or the first year's energy yield in kilowatt hours per year multiplied by 15 cents, whichever is lower, up to:

(A) \$1,500 for tax years beginning on or after January 1, 1990, and before January 1, 1996.

(B) \$1,200 for tax years beginning on or after January 1, 1996, and before January 1, 1998.

(C) \$1,500 for tax years beginning on or after January 1, 1998.

(d) For each alternative fuel device, the credit allowed under this section is 25 percent of the cost of the alternative fuel device but the total credit shall not exceed \$750 if the device is placed in service on or after January 1, 1998.

- (e)
- (A) For each category two alternative energy device that is a solar electric system or fuel cell system, the credit allowed under this section shall equal \$3 per watt of installed output, but the installed output that is used to determine the amount of credit under this paragraph may not exceed 2,000 watts.
 - (B) For each category two alternative energy device that is a wind electric system, the credit allowed under this section may not exceed the lesser of \$6,000 or the first year energy yield in kilowatt hours per year multiplied by \$2.
 - (C) Notwithstanding subparagraph (A) or (B) of this paragraph, the total amount of the credits allowed in any one tax year may not exceed the tax liability of the taxpayer or \$1,500 for each alternative energy device, whichever is less. Unused credit amounts may be carried forward as provided in subsection (7) of this section, but may not be carried forward to a tax year that is more than five tax years following the first tax year for which any credit was allowed with respect to the category two alternative energy device that is the basis for the credit.
 - (D) Notwithstanding subparagraph (A) or (B) of this paragraph, the total amount of the credit for each device allowed under this paragraph may not exceed 50 percent of the total installed cost of the category two alternative energy device.

(3)

- (a) In the case of a credit for a category one alternative energy device that is an energy efficient appliance, the credit allowed for each appliance to a resident individual under this section shall equal:
- (A) 48 cents per first year kilowatt hour saved, or the equivalent for other fuel saved, not to exceed \$1,200 for each tax year beginning on or after January 1, 1998, and before January 1, 1999; and
 - (B) 40 cents per kilowatt hour saved, or the equivalent for other fuel saved, not to exceed \$1,000 for each tax year beginning on or after January 1, 1999.
- (b) Notwithstanding paragraph (a) of this subsection, the credit allowed for an energy efficient appliance may not exceed 25 percent of the cost of the appliance.

(4) To qualify for a credit under this section, all of the following are required:

- (a) The alternative energy device must be purchased, constructed, installed and operated in accordance with ORS 469.160 to 469.180 and a certificate issued thereunder.
- (b) Except for credits claimed for alternative fuel devices, the taxpayer who is allowed the credit must be the owner or contract purchaser of the dwelling or dwellings served by the alternative energy device or the tenant of the owner or of the contract purchaser and must:
 - (A) Use the dwelling or dwellings served by the alternative energy device as a principal or secondary residence; or
 - (B) Rent or lease, under a residential rental agreement, the dwelling or dwellings to a tenant who uses the dwelling or dwellings as a principal or secondary residence, unless the basis for the credit is the installation of an energy efficient appliance. If the basis for the credit is the installation of an energy efficient appliance, the credit shall be allowed only to the taxpayer who actually occupies the dwelling as a principal or secondary residence.
- (c) In the case of an alternative fuel device, if the device is a fueling station necessary to operate an alternative fuel vehicle, unless the verification form and certificate are transferred as authorized under ORS 469.170 (8) , the taxpayer who is allowed the credit must be the contractor who constructs the dwelling that incorporates the fueling station into the dwelling or installs the fueling station in the dwelling. If the category one alternative energy device is an alternative fuel vehicle, the credit must be claimed by the owner as defined under ORS 801.375 or contract purchaser. If the category one alternative energy device is related equipment for an alternative fuel vehicle, the credit may be claimed by the owner or contract purchaser.
- (d) The credit must be claimed for the tax year in which the alternative energy device was purchased if the device is operational by April 1 of the next following tax year.
- (e)

CAUTION: Subsection (4)(e) below is eff. 1-1-2010 and applies to tax years beginning on or after 1-1-2010.

If the alternative fuel vehicle is a gasoline-electric hybrid vehicle not designed for electric plug-in charging, it must be purchased before January 1, 2010.

(5) The credit provided by this section does not affect the computation of basis under this chapter.

(6) The total credits allowed under this section in any one year may not exceed the tax liability of the taxpayer.

(7) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a particular year may be carried forward and offset against the taxpayer's tax liability for the next succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried forward and used in the second succeeding tax year, and likewise any credit not used in that second succeeding tax year may be carried forward and used in the third succeeding tax year, and any credit not used in that third succeeding tax year may be carried forward and used in the fourth succeeding tax year, and any credit not used in that fourth succeeding tax year may be carried forward and used in the fifth succeeding tax year, but may not be carried forward for any tax year thereafter.

(8) A nonresident shall be allowed the credit under this section in the proportion provided in ORS 316.117.

(9) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the credit allowed by this section shall be prorated or computed in a manner consistent with ORS 314.085.

(10) If a change in the status of a taxpayer from resident to nonresident or from nonresident to resident occurs, the credit allowed by this section shall be determined in a manner consistent with ORS 316.117.

(11) A husband and wife who file separate returns for a taxable year may each claim a share of the tax credit that would have been allowed on a joint return in proportion to the contribution of each. However, a husband or wife living in a separate principal residence may claim the tax credit in the same amount as permitted a single person.

(12) As used in this section, unless the context requires otherwise:

(a) "Collective investment" means an investment by two or more taxpayers for the acquisition, construction and installation of an alternative energy device for one or more dwellings.

(b) "Noncollective investment" means an investment by an individual taxpayer for the acquisition, construction and installation of an alternative energy device for one or more dwellings.

(c) "Taxpayer" includes a transferee of a verification form under ORS 469.170 (8) .

(13) Notwithstanding any provision of subsection (1) or (2) of this section, the sum of the credit allowed under subsection (1) of this section plus any similar credit allowed for federal income tax purposes may not exceed the cost to the taxpayer for the acquisition, construction and installation of the alternative energy device.

(§ 316.116 enacted by L. 1977, c. 196, § 8; amended by L. 1979, c. 670, § 2; L. 1981, c. 894, § 3; L. 1983, c. 684, § 14; L. 1983, c. 768, § 1; L. 1987, c. 492, § 1; L. 1989, c. 626, § 6; L. 1989, c. 880, §§ 9, 11; L. 1995, c. 746, § 19; L. 1997, c. 325, § 41; L. 1997, c. 534, § 3; L. 1999, c. 21, § 41; c. 623, § 1; L. 2005, c. 832, § 5; L. 2007, c. 843, § 29; L. 2009, c. 909, § 47 .)

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Chapter 469 ENERGY CONSERVATION
Alternative Energy Devices
Or. Rev. Stat. § 469.160 Definitions.

§ 469.160 -- Definitions.

As used in ORS 316.116 , 317.115 and 469.160 to 469.180 :

- (1) "Alternative energy device" means a category one alternative energy device or a category two alternative energy device.
- (2) "Alternative fuel device" means any of the following:
 - (a) An alternative fuel vehicle;
 - (b) Related equipment; or
 - (c) A fueling station necessary to operate an alternative fuel vehicle.
- (3) "Alternative fuel vehicle" means a motor vehicle as defined in ORS 801.360 that is:
 - (a) Registered in this state; and
 - (b) Manufactured or modified to use an alternative fuel, including but not limited to electricity, natural gas, ethanol, methanol, propane and any other fuel approved in rules adopted by the Director of the State Department of Energy that produces less exhaust emissions than vehicles fueled by gasoline or diesel. Determination that a vehicle is an alternative fuel vehicle shall be made without regard to energy consumption savings.
- (4) "Category one alternative energy device" means:
 - (a) Any system, mechanism or series of mechanisms that uses solar radiation for space heating or cooling for one or more dwellings;
 - (b) Any system that uses solar radiation for:
 - (A) Domestic water heating; or
 - (B) Swimming pool, spa or hot tub heating and that meets the requirements set forth in ORS 316.116 ;
 - (c) A ground water heat pump and ground loop system;
 - (d) Any wind powered device used to offset or supplement the use of electricity by performing a specific task such as pumping water;
 - (e) Equipment used in the production of alternative fuels;
 - (f) A generator powered by alternative fuels and used to produce electricity;
 - (g) An energy efficient appliance;
 - (h) An alternative fuel device; or
 - (i) A premium efficiency biomass combustion device that includes a dedicated outside combustion air source and that meets minimum performance standards that are established by the State Department of Energy.
- (5) "Category two alternative energy device" means a fuel cell system, solar electric system or wind electric system.
- (6) "Coefficient of performance" means the ratio calculated by dividing the usable output energy by the electrical input energy. Both energy values must be expressed in equivalent units.

- (7)** "Contractor" means a person whose trade or business consists of offering for sale an alternative energy device, construction service, installation service or design service.
- (8)**
- (a)** "Cost" means the actual cost of the acquisition, construction and installation of the alternative energy device paid by the taxpayer for the alternative energy device.
 - (b)** For an alternative fuel vehicle, "cost" means the difference between the cost of the alternative fuel vehicle and the same vehicle or functionally similar vehicle manufactured to use conventional gasoline or diesel fuel or, in the case of modification of an existing vehicle, the cost of the modification. "Cost" does not include any amounts paid for remodeling of the same vehicle.
 - (c)** For a fueling station necessary to operate an alternative fuel vehicle, "cost" means the cost to the contractor of constructing or installing the fueling station in a dwelling and of making the fuel station operational in accordance with the specifications issued under ORS 469.160 to 469.180 and any rules adopted by the Director of the State Department of Energy.
 - (d)** For related equipment, "cost" means the cost of the related equipment and any modifications or additions to the related equipment necessary to prepare the related equipment for use in converting a vehicle to alternative fuel use.
- (9)** "Domestic water heating" means the heating of water used in a dwelling for bathing, clothes washing, dishwashing and other related functions.
- (10)** "Dwelling" means real or personal property ordinarily inhabited as a principal or secondary residence and located within this state. "Dwelling" includes, but is not limited to, an individual unit within multiple unit residential housing.
- (11)** "Energy efficient appliance" means a clothes washer, clothes dryer, water heater, refrigerator, freezer, dishwasher, appliance designed to heat or cool a dwelling or other major household appliance that has been certified by the State Department of Energy to have premium energy efficiency characteristics.
- (12)** "First year energy yield" of an alternative energy device is the usable energy produced under average environmental conditions in one year.
- (13)** "Fuel cell system" means any system, mechanism or series of mechanisms that uses fuel cells or fuel cell technology to generate electrical energy for a dwelling.
- (14)** "Fueling station" includes but is not limited to a compressed natural gas compressor fueling system or an electric charging system for vehicle power battery charging.
- (15)** "Placed in service" means:
- (a)** The date an alternative energy device is ready and available to produce usable energy or save energy.
 - (b)** For an alternative fuel vehicle:
 - (A)** In the case of purchase, the date that the alternative fuel vehicle is first purchased as an alternative fuel vehicle ready and available for use.
 - (B)** In the case of modification, the date that the modification is completed and the vehicle is ready and available for use as an alternative fuel vehicle.
 - (c)** For a fueling station necessary to operate an alternative fuel vehicle, the date that the fueling station is first operational.
 - (d)** For related equipment, the date that the equipment is first operational.
- (16)** "Related equipment" means equipment necessary to convert a vehicle to use an alternative fuel.

(17) "Solar electric system" means any system, mechanism or series of mechanisms, including photovoltaic systems, that uses solar radiation to generate electrical energy for a dwelling.

(18) "Wind electric system" means any system, mechanism or series of mechanisms that uses wind to generate electrical energy for a dwelling.

(§ 469.160 enacted by L. 1977, c. 196, § 2; amended by L. 1979, c. 670, § 3; L. 1981, c. 894, § 4; L. 1983, c. 346, § 1; L. 1983, c. 768, § 2; L. 1987, c. 492, § 2; L. 1989, c. 880, § 1; L. 1995, c. 746, § 19a; L. 1997, c. 534, § 4; L. 1999, c. 510, § 1; L. 2001, c. 584, § 5; L. 2005, c. 832, § 6; L. 2007, c. 843, § 28.)

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Schedule OR-ASC

Oregon Adjustments for Form 40 Filers

2009

| | | |
|--------------------------|---------------------------------------|-------------------------------------|
| Last name | First name and initial | Social Security number (SSN) - - |
| Spouse's/RDP's last name | Spouse's/RDP's first name and initial | Spouse's/RDP's SSN - - |

Instructions: Use this form to claim more than one of the following on your return:

- Other additions.
- Other subtractions.
- Credits for income taxes paid to another state.
- Other credits.

Identify the code and amount for each item you are claiming. If you are not claiming more than one of each item, do not use this form; instead identify the item on your return. If you have more items than will fit on a single schedule, provide the codes and amounts on additional schedules and add the total to your tax return. **Include** this schedule with your Form 40.

Remember: Check the "Schedule Included" box on your Form 40 for other additions, other subtractions, credit for income taxes paid to another state, or other credits you claim below.



Other additions (codes 100–131)

| Code | | Amount | |
|---------------------------------|--|--------|--|
| ●10a | | ●10b | |
| ●10c | | ●10d | |
| ●10e | | ●10f | |
| ●10g | | ●10h | |
| ●10i | | ●10j | |
| Enter total on Form 40, line 10 | | \$ | |

Credit for income taxes paid to another state

| State abbreviation | | Amount | |
|---------------------------------|--|--------|--|
| ●38a | | ●38b | |
| ●38c | | ●38d | |
| ●38e | | ●38f | |
| ●38g | | ●38h | |
| ●38i | | ●38j | |
| Enter total on Form 40, line 38 | | \$ | |

Other subtractions (codes 300–348)

| Code | | Amount | |
|---------------------------------|--|--------|--|
| ●18a | | ●18b | |
| ●18c | | ●18d | |
| ●18e | | ●18f | |
| ●18g | | ●18h | |
| ●18i | | ●18j | |
| Enter total on Form 40, line 18 | | \$ | |

Other credits (codes 700–747)

| Code | | Amount | |
|---------------------------------|--|--------|--|
| ●39a | | ●39b | |
| ●39c | | ●39d | |
| ●39e | | ●39f | |
| ●39g | | ●39h | |
| ●39i | | ●39j | |
| Enter total on Form 40, line 39 | | \$ | |

—YOU MUST INCLUDE THIS SCHEDULE WITH YOUR OREGON INCOME TAX RETURN—

Amended Return

OREGON

Form

40

For office use only

2009

INDIVIDUAL INCOME TAX RETURN

Full-Year Residents Only

Fiscal year ending

K F P J

Form header section containing personal information, filing status, exemptions, and marital status.

8 Federal adjusted gross income. Federal Form 1040, line 37; 1040A, line 21; 1040EZ, line 4; 1040NR, line 35; or 1040NR-EZ, line 10. See instructions, page 15

Table for ADDITIONS (lines 9-12) including interest and dividends on state and local government bonds.

Table for SUBTRACTIONS (lines 13-20) including 2009 federal tax liability, Social Security, and Oregon income tax refund.

Table for DEDUCTIONS (lines 21-28) including itemized deductions and standard deduction.

Table for TAX (lines 29-31) including tax calculation and Oregon tax before credits.

