

House Bill 3082

Sponsored by Representative P SMITH

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides tax credit for farmers who add nontoxic dye to anhydrous ammonia for purposes of deterring theft by producers of methamphetamine. Applies to tax years beginning on or after January 1, 2006. Requires Department of State Police to certify brands of dye as eligible for credit. Exempts farmers from liability for environmental contamination for use of dye.

A BILL FOR AN ACT

1
2 Relating to anhydrous ammonia additives.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. The Legislative Assembly finds that anhydrous ammonia is lawfully used in**
5 **crop production as a high-nitrogen fertilizer but is also used in the unlawful manufacture**
6 **of methamphetamine. The Legislative Assembly further finds that persons who manufacture**
7 **methamphetamine often steal anhydrous ammonia from farmers, but that the addition of a**
8 **nontoxic dye to the anhydrous ammonia results in staining of persons using methamphet-**
9 **amine made with the treated anhydrous ammonia. Accordingly, it is the purpose of this**
10 **section to decrease the manufacture and use of methamphetamine by encouraging farmers**
11 **to add a nontoxic dye to the anhydrous ammonia.**

12 **SECTION 2. (1) As used in this section:**

13 (a) **"Anhydrous ammonia" means a caustic, high-nitrogen fertilizer used in crop pro-**
14 **duction.**

15 (b) **"Nontoxic dye" means a biodegradable clear liquid product that causes staining when**
16 **exposed to air, and that has been certified as eligible for a tax credit under section 5 of this**
17 **2005 Act.**

18 (c) **"Qualifying taxpayer" means a person engaged in farming who applies anhydrous**
19 **ammonia fertilizer to crops.**

20 (3) **A credit against the taxes otherwise due under ORS chapter 316 or, if the taxpayer**
21 **is a corporation, under ORS chapter 317 or 318, is allowed to a qualifying taxpayer for costs**
22 **incurred in adding a nontoxic dye to anhydrous ammonia.**

23 (4) **The credit allowed under this section shall be equal to the lesser of:**

24 (a) **\$_____;** or

25 (b) **\$2.30 per acre of land treated with anhydrous ammonia and utilized by the taxpayer**
26 **for farming, without regard to the number of times per tax year the acre is treated with**
27 **anhydrous ammonia.**

28 (5) **The tax credit available under this section may not exceed the qualified tax liability**
29 **of the taxpayer for the tax year.**

30 (6)(a) **A nonresident individual shall be allowed the credit computed in the same manner**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 and subject to the same limitations as the credit allowed a resident by this section. However,
2 the credit shall be prorated using the proportion provided in ORS 316.117.

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

7 (c) If a change in the status of a taxpayer from resident to nonresident or from nonres-
8 ident to resident occurs, the credit allowed by this section shall be determined in a manner
9 consistent with ORS 316.117.

10 SECTION 3. Sections 1 and 2 of this 2005 Act are added to and made a part of ORS
11 chapter 315.

12 SECTION 4. Section 3 of this 2005 Act applies to costs incurred by a qualifying taxpayer
13 on or after January 1, 2006, and for which a credit is claimed for tax years beginning on or
14 after January 1, 2006.

15 SECTION 5. The Department of State Police shall certify each brand of nontoxic dye that
16 is eligible for a tax credit under section 2 of this 2005 Act when the dye is used by a person
17 as an additive to anhydrous ammonia used in farming. The Department of State Police shall
18 notify the Department of Revenue when a brand is certified under this section.

19 SECTION 6. (1) A person shall be exempt from liability for environmental contamination
20 under ORS chapter 465, if the contamination is a result of the application to farmland of
21 anhydrous ammonia containing a nontoxic dye.

22 (2) The definitions in section 2 of this 2005 Act apply to this section.
23
