

AN ACT

HB 2043

Relating to tax credits for motor vehicle insurers; and prescribing an effective date.

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

SECTION 1. Sections 2 and 3 of this 2003 Act are added to and made a part of ORS chapter 317.

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

(a) “Mile-based rating plan” means a rating plan for which a unit of exposure is one mile traveled by the insured motor vehicle.

(b) “Time-based rating plan” means a rating plan for which a unit of exposure is one minute or one hour traveled by the insured motor vehicle.

(c) “Unit of exposure” means a unit that measures the loss exposure assumed by an insurer, the total of such units of which is multiplied by the policy rate, or rates, to produce the policy premium.

(2) A corporation shall be allowed a credit against the taxes that are otherwise due under this chapter or ORS chapter 318 for providing motor vehicle insurance policies in this state that are at least 70 percent based on a mile-based rating plan or a time-based rating plan.

(3) The amount of the credit shall equal \$100 for each vehicle insured under a policy described in subsection (2) of this section that is issued in this state during the tax year.

(4) The credit may not exceed \$300 for each policy described in subsection (2) of this section that is issued by the taxpayer.

(5) The total amount of credit allowed under this section in a tax year may not exceed the tax liability of the taxpayer and may not be carried forward to another tax year.

(6) In order for credit to be claimed for a policy under this section, the taxpayer must obtain a verified statement

from the policyholder stating that the policy for which a credit is claimed covers all vehicles used at the household of the policyholder and owned, leased or regularly operated by the policyholder or by an individual who is legally related to the policyholder or who otherwise regularly shares vehicles with the policyholder.

(7) The credit may not be claimed with respect to a policy for which a credit was allowed in a previous tax year.

SECTION 3. Notwithstanding section 2 of this 2003 Act, if a credit claimed under section 2 of this 2003 Act, when added to all previous credits allowed under section 2 of this 2003 Act by all taxpayers for all tax years, exceeds \$1 million, the credit shall be disallowed.

SECTION 4. Sections 2 and 3 of this 2003 Act apply to tax years beginning on or after January 1, 2005, and before January 1, 2010.

SECTION 5. Notwithstanding section 2 (3) of this 2003 Act, for tax years beginning on or after January 1, 2005, and before January 1, 2006, a credit may be allowed under section 2 of this 2003 Act for motor vehicle insurance policies issued in this state on or after January 1, 2004, that are otherwise eligible for a credit under section 2 of this 2003 Act.

SECTION 6. This 2003 Act takes effect on the 91st day after the date on which the regular session of the Seventy-second Legislative Assembly adjourns sine die.

Approved by the Governor July 3, 2003

Filed in the office of Secretary of State July 3, 2003

Effective date November 26, 2003
