



State of Oregon
Department of
Environmental
Quality

811 SW 6th Avenue
Portland, OR 97204
Phone: 800.452.4011
Fax: 503.229.5850

www.deq.state.or.us

Management Services Division

Tax Credit Program
Contact: Maggie Vandehey
Phone: 503.229.6878

Truck Engine Tax Credit

The state of Oregon offers a tax credit for purchasing cleaner diesel engines.

Heavy duty trucks make an important contribution to Oregon's economy, moving a substantial amount of goods and freight. Diesel engines commonly found on large trucks are significant emitters of certain pollutants that contribute to toxic air pollution. For example, heavy-duty diesel vehicles make up 6 percent of the total motor vehicle fleet but emit about 65 percent of the fine particulate pollution and 35 percent of the nitrogen oxide pollution from motor vehicles.

Federal engine emission standards for diesels are becoming more stringent. However it will take another 20 to 30 years to fully reap the benefits as existing engines wear out and are replaced. To encourage faster turnover, the state of Oregon offers a tax credit to purchasers of heavy-duty diesel trucks with newer, less polluting engines.

Qualifying Purchases

A purchase qualifies for the Oregon truck engine tax credit if *all* of the following conditions apply.

The taxpayer:

- owns the truck; and
- purchased the qualifying engine in Oregon in the calendar years 2007 through 2011.

The truck:

- has a combined weight of more than 26,000 pounds; and
- is registered in Oregon.

The diesel engine:

- is model year 2007 through 2011; and
- is certified by the federal Environmental Protection Agency as emitting particulate matter at the rate of 0.01 grams per brake horsepower-hour or less.

About the Tax Credit

A taxpayer may use the truck engine tax credit to reduce their Oregon taxes.

The credit amount shown below is based on the number of trucks the taxpayer owns prior to purchasing the qualifying engine.

<u>Tax Credit</u>	<u>Trucks Owned</u>
\$925	1 to 10
\$705	11 to 50
\$525	51 to 100
\$400	More than 100

Annual Limitation

Two limits apply on the amount of the truck engine tax credit available in any calendar year. The tax credit limits for each calendar year are:

- \$80,000 per taxpayer, and
- \$500,000 for the program.

About the Application Process

Any taxpayer may apply to the Oregon Department of Environmental Quality (DEQ) for the Truck Engine Tax Credit after making a qualifying purchase. The application is a one-page form available on the DEQ website. Directions to the website are provided under the Resources section of this fact sheet.

The taxpayer may submit multiple applications throughout the year or include multiple purchases on one application. DEQ encourages taxpayers to complete and submit the application immediately after making a qualifying purchase. DEQ will process the applications as taxpayers submit them.

Alternative formats

Alternative formats (such as large type or Braille) of this document can be made available. Contact DEQ's Office of Communications & Outreach, Portland, at (503) 229-5317, or toll-free in Oregon at 1-800-452-4011, ext. 5317, for more information.

07-MSD-005

Last updated: 9/28/2007
By: M. Vandehey

Notifications

If the application is missing any information, DEQ will contact the applicant to request the information. Within 45 days, DEQ will send a Letter of Certification or a Letter of Denial to the taxpayer.

Pending rulemaking

DEQ will amend Oregon Administrative Rule (OAR) 360-016-0210 through 360-016-0260 to align the Truck Engine Tax Credit rule with the 2007 law.

Resources

For information about the Truck Engine Tax Credit, the application and this fact sheet, visit “Tax Credits” listed under “Projects and Programs” on the DEQ website at www.deq.state.or.us.

For additional help, contact the Tax Credit Program at 503.229.6878.