



Farmworker Housing Tax Credit Program

(Program Factsheet)

Program Advisor

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Program Overview

The Farmworker Housing Tax Credit (FWHTC) Program is designed to give a state income tax credit to investors who incur costs to construct, install, acquire or rehabilitate farmworker housing. The tax credit may be taken on 50 percent of the eligible costs actually paid or incurred to complete a farmworker housing project. The total of estimated eligible costs for all approved projects for each calendar year is \$7.25 million. 100 percent of the credit may be transferred to a contributor of the project.

Eligibility Requirements

The credit is available to anyone who actually pays or incurs costs for the construction, rehabilitation or installation of farmworker housing. A nonprofit organization may also be eligible for this tax credit; although it does not pay taxes, it can “assign” the tax credit to an investor who invests money into the housing project. There is also a tax credit (administered by the Department of Revenue) for lenders who make loans for the construction, rehabilitation and installation of farmworker housing. If you are borrowing money to help finance farmworker housing, both you and your lender are eligible for a tax credit.

Farmworker housing is housing that is occupied by farmworkers and their immediate families during the year. The housing can be year-round or seasonal housing, in-town or on-farm, stick-built or manufactured. The housing must be located in Oregon and remain designated for farmworker use for a minimum of 10 years. “Farmworker” means any person who, for an agreed remuneration or rate of pay, performs temporary or permanent labor for another in the production of farm products or in the planting, cultivating or harvesting of seasonal agricultural crops or in the forestation or reforestation of lands, including but not limited to the planting, transplanting, tubing, pre-commercial thinning and thinning of trees and seedlings, the clearing, piling and disposal of brush and slash and other related activities. Aquaculture is NOT farm work, according to this definition. Occupants can work part of the year as farmworkers and have other non-farm work jobs part of the year. As long as one family member in the housing unit has been a farmworker either seasonally or year-round while living there, the housing unit will qualify. Immediate family members can have non-farm work jobs some or all of the year and the housing unit will still qualify.

Excluded from the definition of farmworker are owners of the farm (individual farm owners, corporate share holders, partners) and their relatives. Also excluded from eligibility is farmworker housing which is occupied by the owner or operator of the housing or relatives of the owner or operator. The housing cannot be rented to non-farmworkers even during the off-season. While the housing can be vacant for part





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of the year and still qualify for the credit, the housing cannot be occupied for any part of the year by anyone other than farmworkers and their immediate families.

Eligible Costs

Only the amount you pay for “eligible costs” can be included in calculating the tax credit. Eligible costs are those costs directly associated with the acquisition, construction, installation or rehabilitation of seasonal or year-round farmworker housing.

- Capital expenditures for rehabilitation of existing housing are eligible; routine maintenance expenses are not.
- The cost of buying land does not qualify.
- The purchase and installation of new manufacturing housing qualifies. The state income tax credit may be taken over a period of no fewer and no more than 10 years with no more than 20 percent of the total credit taken in any one year.
- The housing can be year-round or seasonal housing, in-town or on-farm.
- In a multi-unit dwelling, not all units need to be farmworker housing, provided that the tax credit is apportioned according to the percentage of units that are farmworker housing and provide that a fixed group of units is so identified.

For More Information

With more and better tax credits now available, interested developers can now take advantage of these tax benefits. Potential developers and/or investors need to apply within six months after beginning construction. For more information and application materials, contact Loren Shultz at 503.986.2008 or by E-Mail [Loren Shultz](mailto:Loren.Shultz).

To talk with someone about developing affordable housing in your area, contact a [Regional Advisor to the Department](#) or call 503.986.2000.

OHCS is the state housing finance agency, providing financial and program support to create and preserve opportunities for quality, affordable housing for lower income Oregonians. The agency also administers federal and state antipoverty, homeless and energy assistance community service programs.

