



Farmworker Housing Tax Credit Program

Program Factsheet

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.

“Farmworker” means any person who, for an agreed remuneration or rate of pay, performs temporary or permanent labor for another in the:

- (a) Production of agricultural or aquacultural crops or products;
- (b) Handling of agricultural or aquacultural crops or products in an unprocessed stage;
- (c) Processing of agricultural or aquacultural crops or products;
- (d) Planting, cultivating or harvesting of seasonal agricultural crops; or
- (e) Forestation or reforestation of lands, including but not limited to the planting, transplanting, tubing, precommercial thinning and thinning of trees and seedlings, the clearing, piling and disposal of brush and slash and other related activities.

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 or operators of the farm (individual farm owners, corporate shareholders and 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 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.

More information:

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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, on farm or in town.

Eligible costs may include:

- 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.
- 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

For more information, please contact us

To talk with someone about developing affordable housing in your area, please contact a Regional Advisor to the Department.

Regional Advisor to the Department

Main Office: (503) 986-2000

Webpage: http://www.oregon.gov/ohcs/Pages/DO_RegionalAdvisors.aspx