

**74TH OREGON LEGISLATIVE ASSEMBLY  
STAFF MEASURE SUMMARY  
SENATE FINANCE & REVENUE COMMITTEE**

**MEASURE: HB 2094-B  
CARRIER: Sen. Monroe**

**REVENUE: No Revenue Impact**

**FISCAL: No Fiscal Impact**

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**Action:** Do pass with amendments to the A engrossed bill and be printed engrossed  
**Vote:** 4-0-1  
**Yeas:** G. George, Monroe, Starr, Deckert  
**Nays:**  
**Exc.:** Burdick  
**Prepared By:** Chris Allanach, Economist  
**Meeting Dates:** 5/30, 6/7

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**WHAT THE BILL DOES:** Modifies the definition of “account holder” to include youths age 12 and older. Clarifies the definition of “fiduciary organization”. Updates the Internal Revenue Code reference to December 31, 2006. Clarifies language pertaining to the qualification of becoming an account holder. Modifies the definition of “net worth” by excluding one vehicle. Expands the use of IDA account funds to include certain improvements and repairs to an account holder’s primary home. Expands the use of IDA account funds to include the purchase of equipment, technology, or training needed to obtain or maintain employment or start a business. Allows account holders to accrue up to \$3,000 of matching deposits in any 12-month period. Removes the \$20,000 maximum dollar amount for each account and directs the Housing and Community Services Department to adopt rules to establish a maximum. Repeals the Individual Children’s Development Account program. Includes an emergency clause. Sunsets the credit on January 1, 2012.

**ISSUES DISCUSSED:**

- Population served by the program
- Value of asset building programs
- As per Committee rules, the following metrics were adopted for evaluating the IDA credit:
  - Number of participants and tax credits utilized.
  - Percentage of participants who are low-income. (Target 100%)
  - Percentage of participants who develop and complete a Personal Development Plan (with the assistance of IDA providers). (Target 100%)
  - Percentage of participants who personally save at least 25% of the funds needed for their education, home ownership, or business goal. (Target 100%)
  - Percentage of participants who reach their goal and “graduate” within 5 years. (Target 100%)

**EFFECT OF COMMITTEE AMENDMENTS:** Sunsets the credit on January 1, 2012.

**BACKGROUND:**

Individuals or businesses donating to the state selected nonprofit (currently the Neighborhood Partnership Fund) for individual development accounts (IDAs) are allowed an income tax credit equal to the lesser of \$75,000 or 75 percent of the amount donated. Contributions are applied toward matching IDA account holder savings and also toward program-related expenses of the fiduciary organization. Unused credits may be carried forward for up to three years. The Housing and Community Services Department maintains a limit on the total amount of contributions made, and thus credits certified, each year.

In tax year 2005 roughly 240 taxpayers claimed a total credit of nearly \$900,000 and reduced their collective liability by roughly \$850,000.

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***This summary has not been adopted or officially endorsed by action of the committee.***