

**74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: SB 816-A
CARRIER: Rep. Butler**

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do pass with amendments and be printed engrossed
Vote: 8-0-1
Yeas: Berger, Bruun, Butler, Gelser, Olson, Read, Rosenbaum, Barnhart
Nays:
Exc.: Witt
Prepared By: Paul Warner, Economist
Meeting Dates: 6/22

WHAT THE BILL DOES: If HB 3201-B becomes law, sunsets increase in allowable deduction for contributions to 529 College Saving Network accounts. If both HB 3201-B and SB 816-B become law, the allowable deduction for contributions to a college saving plan rises from \$2,000 to \$4,000 for joint filers starting with the 2008 tax year. Under SB 816-B, the allowable deduction returns to \$2,000 in the 2012 tax year.

ISSUES DISCUSSED:

- Decisions made in Senate Finance and Revenue committee regarding components of HB 3201-B.
- Desire to consider results of increasing amount of deduction.
- Importance of reducing college saving costs.

EFFECT OF COMMITTEE AMENDMENTS: Replaces bill.

BACKGROUND: Under current law a subtraction from individual taxable income is allowed for contributions to Oregon 529 College Saving Network accounts. The proceeds from these accounts are intended to pay for education related costs. The revenue impact of the existing deduction is estimated at \$7.4 million for the 2007-09 biennium.

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