

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
**Seventy-Sixth Oregon Legislative  
Assembly**  
**2011 Regular Session**  
**Legislative Revenue Office**

**Bill Number: HB 2740 - A**  
**Revenue Area: Income Taxes**  
**Economist: Chris Allanach**  
**Date: 3/23/2011**

**Measure Description:** Directs the State Registrar of the Center for Health Statistics to send certified copy of birth certificate for each child born in Oregon to residents of this state to the State Treasurer. Requires the State Treasurer to contact the parents of the child whose birth information was received and notify them of the opportunity to open a college savings account. Directs the Oregon 520 College Savings Board to adopt rules specifying the contents of the notice. Allows the State Treasurer to send a similar notice to newly adoptive parents. Establishes the Oregon College Savings Matching Fund and allows the board to accept grants, donations, contributions, and gifts as deposits for the fund. Allows the board to use such funds to make matching deposits into a 529 account. Applies to children born to Oregon residents on or after the effective date of this Act.

**Revenue Impact (in \$Millions):**

	Biennium		
	2011-13	2013-2015	2015-2017
<b>General Fund</b>	<b>-\$0.1</b>	<b>-\$0.1</b>	<b>-\$0.2</b>

**Impact Explanation:** Taxpayers who make contributions to an Oregon 529 College Savings Network account are allowed a tax deduction of up to roughly \$2,120 (\$4,140 for joint filers) for contributions made in 2011. These limits are adjusted annually for inflation. In recent years, roughly 25,000 Oregon residents claimed a total of \$55 million in deductions each year. The average deduction was roughly \$2,300. The negative revenue impact is based on the assumption that roughly one to two percent more taxpayers will claim the subtraction as a result of the notification and associated policies contained in the bill.

**Creates, Extends, or Expands Tax Expenditure:**      Yes  No