

Joint Committee on Ways and Means

Carrier – House: Rep. Read  
Carrier – Senate: Sen. Whitsett

Revenue: Revenue statement issued

Fiscal: Fiscal statement issued

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Action: Do Pass the A-Engrossed Measure

Vote: 24 – 0 – 1

House

Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan,  
G. Smith, Thatcher, Whisnant

Nays:

Exc: Richardson

Senate

Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters

Nays:

Exc:

Prepared By: Laurie Byerly, Legislative Fiscal Office

Meeting Date: June 3, 2011

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**WHAT THE MEASURE DOES:** Allows taxpayers to make direct deposit contributions of personal income tax refunds into an Oregon 529 College Savings Network account. Provides that the election shall be made on a form prescribed by the Department of Revenue and may not be changed or revoked. Applies to refunds attributable to tax years beginning on or after January 1, 2012.

**ISSUES DISCUSSED:**

- Voluntary nature of contributions
- Fiscal impact associated system changes needed to support direct deposits
- Costs to be covered by revenue transfer from Oregon 529 College Savings plan program (Office of State Treasurer) to the Department of Revenue

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The Oregon 529 plan provide state and federal tax advantages for college savings. Investments made in such plans are ultimately tax free if used for qualified college expenses. Oregon taxpayers are also allowed a subtraction for contributions made to Oregon's 529 plan. In 2009, joint filers could subtract up to \$4,180 for such contributions; all other filers could subtract up to \$2,090. Under current law, after an account is opened and initial contributions are deposited, all subsequent contributions to the account must be made in cash. This bill would expand upon the method by which contributions may be made.