Oregon

Homebuyers Tax Credit or Rebate

Analysis: Architecture 2030

It is apparent that state and local governments (LG) cannot wait for Washington to create the badly needed jobs, economic activity and revenue they need to sustain themselves; they must use the options available and undertake the task on their own – and they can.

The Homebuyers Tax Credit or Rebate (Plan), outlined here, is a jobs and revenue producing plan for implementation in Oregon. It marries a homebuyer refundable state tax credit or rebate with building energy reduction targets in order to dramatically increase private spending, stimulate new building construction, expand the local tax base, and generate much needed jobs and tax revenue. The tax credit or rebate will be available for two-years for newly constructed and purchased homes, and purchasing and renovating existing homes to high efficiency standards.

In Oregon, each one-dollar of state outlay will generate $15.23 in direct construction spending, $17.46 in indirect and induced spending, and generate $2.57 in state and LG taxes.

The Plan calls for a refundable:

- $4,000 State tax credit for purchasing, or renovating to, a HERS 50 or equivalent home;
- $6,000 State tax credit for purchasing, or renovating to, a HERS 25 or equivalent home; and a
- $8,000 State tax credit for purchasing, or renovating to, a Zero-Net-Energy or HERS 0 home.

A $10 million allocation, for example, would not only pay for itself but would:

- create 2,468 jobs, quickly and cost effectively;
- generate $152.35 million in construction spending and $174.62 million in indirect and induced spending;
- increase home buyers cash flow and property values;
- decrease building energy consumption and operating costs;
- generate $24.20 million in total state and local government tax revenue and $1.52 million in annual property taxes – $11.28 million of this amount before the $10 million in incentives is given.

Each $10 Million Allocation (example)

$152.35 Million

$174.62 Million

$25.72 Million

2,468
TOTAL JOBS CREATED
(INCLUDES 792 DIRECT JOBS)