

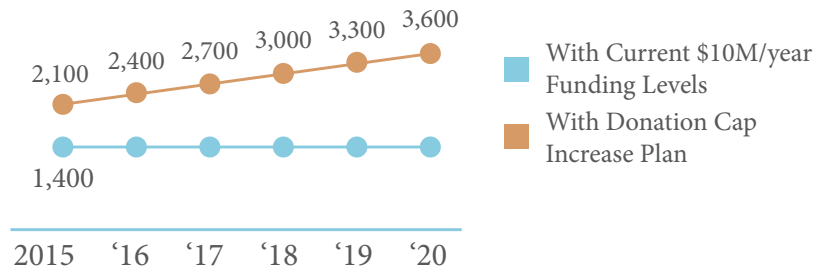
# Oregon IDA Initiative Renewal

The IDA Initiative has the biggest waiting list in its history. More hardworking Oregonians with low incomes are looking to build savings habits, learn financial skills and own assets that will keep their futures secure. The IDA Network partners are poised to help. Action is needed from the Oregon Legislature as the IDA 75% Tax Credit sunset date quickly approaches.

## EXTEND

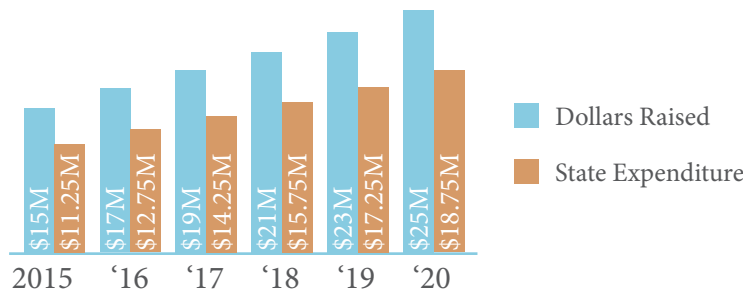
Renewing the IDA 75% Tax Credit and extending it until 2022 will give hope to thousands as they make community-building asset purchases.

Projected Annual New Participant Growth



## INCREASE

Increase the cap on donations from \$10 million to \$25 million over the next six years.



## EXPAND

Build greater financial resilience by expanding the purposes of IDA accounts.

### Existing Savings Categories



Home purchase



Restore a home to a habitable condition



Education



Purchase equipment to support employment



Small business startup

### Proposed Savings Categories



Rental when tied to state policy goals



Credit building via "paired accounts"



Hiring employee(s) for small businesses



Credit repair to enable savings



Purchase or repair vehicle for life goals



Replacement of a primary residence for habitability or energy efficiency



Retirement savings

# THE CREDIT

The Oregon IDA 75% Tax Credit is the poster child for tax credits because everybody benefits from having it in place.



The State gets 1 dollar of community investment for every 75 cents it spends.



Participants earn 3:1 match for their asset savings dollars.



The donor gets 75 cents back for every 1 dollar donated.

## HB 2011

HB 2011 will:

- Expand the allowable purposes and make technical fixes to statutes regarding qualifications for and uses of Individual Development Accounts (IDAs)

Technical fixes will:

- Qualify owners of manufactured homes as “first time homeowners” for purposes of an IDA for home purchase. Section 1(d)
- Allow money in certain IDAs to be rolled over into educational savings plans (e.g. 529s) and retirement accounts upon “graduation”. Section 4(a-c)

Expansion of allowable purposes to:

- Help individuals move into rental housing as part of a transition plan or personal development plan. For example, youth moving out of foster care, or individuals leaving incarceration. Section 1(e)
  - Help a small business, created with IDA, to hire employees. Section 1(f)
  - Purchase or repair a vehicle, when tied to a personal development goal. Section 1(i)
  - Kick-start a retirement savings account. Section 1(j)
  - Repair or build credit through structured debt repayment, when the debt presents a barrier to success for another allowable purchase. Section 1(k)
  - Build or repair credit through joint savings + secured loan products called “paired accounts”. Section 1(l)
  - Replace a house if it’s unhealthy or unsafe to live in. Section 1(m)
- Extend sunset for Oregon 75% state tax credit for donations to the Oregon IDA Initiative for distribution to IDAs. Sections 2, 3, and 4.
  - Extend sunset for tax credit for withdrawals from IDAs used to purchase primary residences. Section 5.

Managed by Neighborhood Partnerships, the 25-year-old, 501(c)(3) nonprofit partner of the State of Oregon.

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