

PRELIMINARY STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Fiscal: Fiscal impact issued
Revenue: Revenue impact issued

Sub. Referrals: Joint Committee On Ways
and Means

Action Date:

Action:

Meeting Dates: 04/15

Prepared By: Christine Broniak, Economist

WHAT THE MEASURE DOES:

Directs the Oregon 529 Savings Board to establish by rule qualified state Achieving a Better Life Experience (ABLE) program. Allows persons with disabilities to establish savings accounts for disability-related expenses. Excludes both contributions to and distributions from the account for qualified disability expenses from federal taxable income. Provides for the taxation of distributions that are not for qualified disability expenses. Adds a representative of persons with disabilities to the Oregon 529 Savings Board to be appointed by the Treasurer. Removes the requirement that a representative of the State Board of Higher Education serve on the board. Removes the requirement that the Oregon University System provide administrative staff to the board.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

A2 Amendment - The A2 amendment limits the tax exempt contribution to those made before the designated beneficiary of the account attains 21 years of age. FISCAL: Fiscal impact issued REVENUE: Revenue impact issued

BACKGROUND:

The Stephen Beck, Jr., Achieving a Better Life Experience Act (ABLE Act) became law in December 2014. It permits the creation of tax-free, state-based savings accounts to pay for disability-related expenses. Expenses qualify as disability-related if they are for the benefit of an individual with a disability and are related to the disability (including education, housing, transportation, employment support, health, prevention, and wellness costs, assistive technology and personal support services, and other expenses.)