

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office

Bill Number: HB 2747 - A2
Revenue Area: Income Tax
Economist: Christine Broniak
Date: 5-4-2015

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Increases limitation on subtraction for contribution to college savings network account to amount per designated beneficiary. Establishes a \$150 refundable credit for contributions to a college savings account. Limits the credit to individuals making less than \$25,000 in adjusted gross income if filing as single and less than \$50,000 in adjusted gross income if filing jointly.

Revenue Impact (in \$Millions):

	2015-17	2017-19	2019-21
General Fund	-\$2.33	-\$3.73	-\$4.29

Impact Explanation:

The measure has two changes to the Oregon 529 College Savings plan that will affect tax revenues. The first is the expansion of the subtraction limits to the current limits multiplied by the number of dependents. Most holders of 529 accounts do not save up to the current limits, so this expansion isn't expected to be universally adopted. The second is the addition of a refundable tax credit of up to \$150 for individuals making \$25,000 in adjusted gross income per year if filing separately or as a single taxpayer, and \$50,000 in adjusted gross income per year if filing jointly.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to increase the ability of families and individuals to save for higher education.