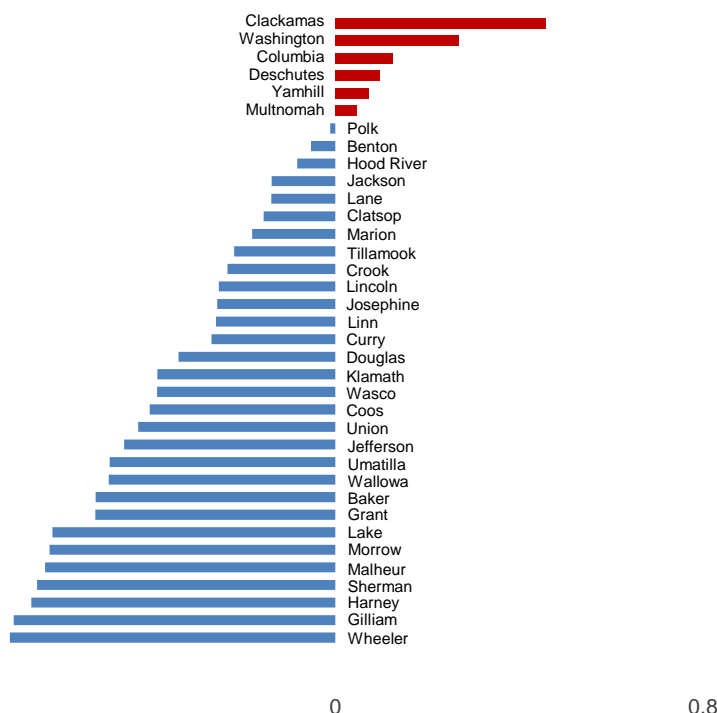


## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties

Rural counties stand at a disadvantage when it comes to the benefits doled out by Oregon’s largest housing subsidy, the mortgage interest deduction. Taxpayers in a few urban counties capture a disproportionate share of the housing subsidy, projected to cost Oregon over \$1 billion in the upcoming budget period. That is not surprising, given that the mortgage interest deduction mainly benefits well-off taxpayers, who tend to be concentrated in urban areas.

This paper examines Internal Revenue Service data on taxpayers’ use of the federal mortgage interest deduction in tax year 2014. Because the Oregon mortgage interest deduction is based on the federal deduction, the distribution of the Oregon deduction is likely to be similar to the federal deduction.

### Six urban counties get lion's share of mortgage interest deduction dollars



-0.8 0 0.8  
Percent difference of the ratio of a county's share of federal mortgage interest deduction dollars to county's share of taxpayers from baseline of 1.0.  
Source: OCPP analysis of 2014 Internal Revenue Services data.

The mortgage interest deduction is a subsidy for some homeowners. It allows those who can claim it to reduce their taxable income by the amount of interest paid on their mortgage.<sup>1</sup> The savings to the taxpayer is the deductible amount multiplied by their top tax bracket.<sup>2</sup>

Taxpayers in six urban counties received a disproportionate share of the deduction’s value in 2014.<sup>3</sup> Clackamas, Washington, Columbia, Deschutes, Yamhill and Multnomah Counties each saw a greater share of mortgage interest deduction dollars than the county’s share of Oregon taxpayers. Taxpayers in all other counties received a smaller share of mortgage interest deduction benefits than their share of taxpayers.

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**How does your county fare in terms of the mortgage interest deduction?**

See the fact sheets for each of Oregon’s 36 counties at the end of this report

## ***Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties***

In 2014, taxpayers in Oregon's urban counties took nearly 87 percent of the tax savings from the federal mortgage interest deduction. More than half (55.7 percent) of the benefits went to taxpayers in Clackamas, Multnomah, and Washington Counties, the three counties in the Portland metro area.

### **The mortgage interest deduction primarily benefits Oregon's urban counties**

| <b>County</b> | <b>Share of mortgage interest deduction</b> | <b>Share of Oregon taxpayers</b> | <b>Mortgage interest deduction score*</b> |
|---------------|---|----------------------------------|---|
| Baker         | 0.18%                                       | 0.37%                            | -0.52                                     |
| Benton        | 1.97%                                       | 2.08%                            | -0.05                                     |
| Clackamas     | 15.13%                                      | 10.38%                           | 0.46                                      |
| Clatsop       | 0.81%                                       | 0.96%                            | -0.16                                     |
| Columbia      | 1.34%                                       | 1.20%                            | 0.12                                      |
| Coos          | 0.88%                                       | 1.47%                            | -0.40                                     |
| Crook         | 0.39%                                       | 0.50%                            | -0.23                                     |
| Curry         | 0.41%                                       | 0.57%                            | -0.27                                     |
| Deschutes     | 4.92%                                       | 4.48%                            | 0.10                                      |
| Douglas       | 1.62%                                       | 2.46%                            | -0.34                                     |
| Gilliam       | 0.01%                                       | 0.04%                            | -0.70                                     |
| Grant         | 0.08%                                       | 0.17%                            | -0.52                                     |
| Harney        | 0.05%                                       | 0.16%                            | -0.66                                     |
| Hood River    | 0.58%                                       | 0.64%                            | -0.08                                     |
| Jackson       | 4.57%                                       | 5.31%                            | -0.14                                     |
| Jefferson     | 0.27%                                       | 0.50%                            | -0.46                                     |
| Josephine     | 1.45%                                       | 1.95%                            | -0.26                                     |
| Klamath       | 0.91%                                       | 1.49%                            | -0.39                                     |
| Lake          | 0.06%                                       | 0.17%                            | -0.62                                     |
| Lane          | 7.61%                                       | 8.84%                            | -0.14                                     |
| Lincoln       | 0.88%                                       | 1.18%                            | -0.25                                     |
| Linn          | 2.08%                                       | 2.82%                            | -0.26                                     |
| Malheur       | 0.21%                                       | 0.58%                            | -0.63                                     |
| Marion        | 6.30%                                       | 7.69%                            | -0.18                                     |
| Morrow        | 0.10%                                       | 0.26%                            | -0.62                                     |
| Multnomah     | 22.12%                                      | 21.11%                           | 0.05                                      |
| Polk          | 1.82%                                       | 1.84%                            | -0.01                                     |
| Sherman       | 0.02%                                       | 0.05%                            | -0.65                                     |
| Tillamook     | 0.50%                                       | 0.64%                            | -0.22                                     |
| Umatilla      | 0.88%                                       | 1.72%                            | -0.49                                     |
| Union         | 0.35%                                       | 0.61%                            | -0.43                                     |
| Wallowa       | 0.09%                                       | 0.18%                            | -0.49                                     |
| Wasco         | 0.38%                                       | 0.61%                            | -0.39                                     |
| Washington    | 18.46%                                      | 14.56%                           | 0.27                                      |
| Wheeler       | 0.01%                                       | 0.03%                            | -0.71                                     |
| Yamhill       | 2.55%                                       | 2.38%                            | 0.07                                      |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers. Source: OCPP analysis of 2014 Internal Revenue Service data.

## ***Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties***

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That taxpayers in urban counties take the lion's share of mortgage interest deduction dollars is not surprising, given that the deduction mainly benefits those better off financially, who tend to be concentrated in urban areas. There are several reasons why the deduction steers most of the benefits to those on the upper end of the income scale. First, the mortgage interest deduction only helps homeowners, and higher-income earners are more likely to own a home than lower-income earners. Second, the subsidy only helps those who itemize deductions and they are disproportionately higher-income earners. And third, because it is a deduction from taxable income (not a credit against taxes), every dollar deducted reaps more valuable tax savings to those with more income in the top tax brackets — the wealthy.<sup>4</sup>

### ***Confront Oregon's housing crisis by reforming the mortgage interest deduction***

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Oregon is in the midst of a statewide housing crisis, with many families struggling to keep a roof over their heads. Oregon's mortgage interest deduction — the state's largest housing subsidy at \$1.1 billion a budget period — does little, if anything, to address that crisis.<sup>5</sup> Instead, the mortgage interest deduction mainly helps those who do not need help buying a home, exacerbating economic inequality, which is at historic levels.<sup>6</sup> This analysis shows it also deepens the urban-rural economic divide.

State lawmakers should reform the billion-dollar mortgage interest deduction so that it becomes an effective tool for addressing Oregon's housing affordability crisis. Lawmakers can reform the deduction in a way that preserves the benefits for low and middle-income homeowners, while phasing out the benefits for higher income homeowners who do not need a tax subsidy to afford their home. Doing so would free up substantial resources for the state to put toward homeownership and other housing opportunities for families struggling with skyrocketing housing costs.

#### **Endnotes**

<sup>1</sup> Taxpayer who can claim the deduction can deduct interest paid mortgage debt up to \$1 million, be it from a first or second home (or both), and interest paid on home equity debt up to \$100,000.

<sup>2</sup> In Oregon, the tax brackets are 7, 9, and 9.9 percent.

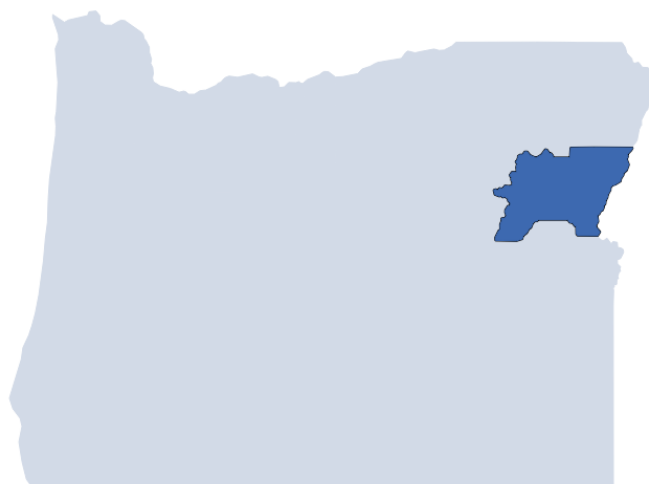
<sup>3</sup> Unless otherwise noted, all figures in this report are OCPP analysis of Internal Revenue Service data.

<sup>4</sup> *The Mortgage Interest Deduction: Oregon's Biggest (and Ineffective) Housing Subsidy*, May 4, 2015, available at <http://www.ocpp.org/2015/05/04/fs20150504-oregon-mortgage-interest-deduction/>.

<sup>5</sup> Research shows that the mortgage interest deduction is ineffective when it comes to meeting its stated purpose of promoting homeownership, likely because the deduction is capitalized into home prices. For more see Steven C. Bourassa, Donald R. Haurin, Patric H. Hendershott, and Martin Hoesli, "Mortgage Interest Deductions and Homeownership: An International Survey," *Swiss Finance Institute Research Paper No. 12-06*, March 13, 2013, available at [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2002865](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2002865). Additional research suggests that where the deduction may have a positive effect on homeownership, it only does so for, "higher income households in less tightly regulated housing markets." For more see Christian A. L. Hiber and Tracy M. Turner, "The Mortgage Interest Deduction and its Impact on Homeownership Decisions," *Spatial Economics Research Centre*, Discussion Paper 55, September 2010, available at <http://eprints.lse.ac.uk/31759/1/sercdp0055.pdf>.

<sup>6</sup> The Congressional Budget Office estimates that the benefits of the mortgage interest deduction equal, "less than 0.1 percent of after-tax income for households in the lowest income quintile, 0.3 percent for those in the middle quintile, and 1.1 percent for those in the highest quintile." For more see *The Distribution of Major Tax Expenditures in the Individual Income Tax System*, Congressional Budget Office, May 2013, available at [https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/43768\\_DistributionTaxExpenditures.pdf](https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/43768_DistributionTaxExpenditures.pdf).

## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Baker County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 6,820               | 1,230                  | 18.0%                         | -0.52              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

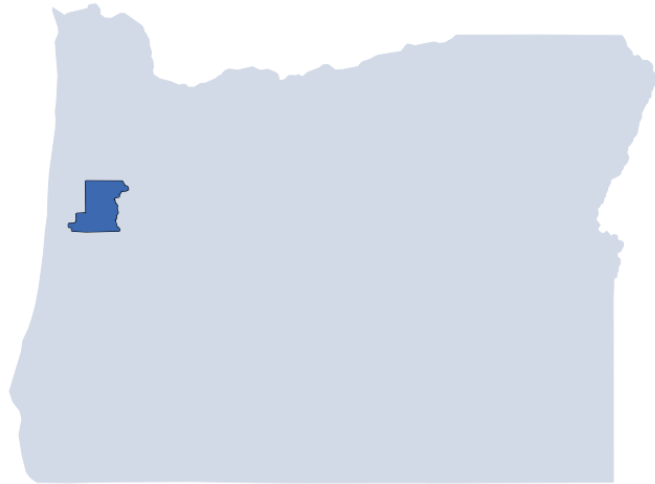
### Baker County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 20                     | 1.9%                          | \$7,350     |
| \$10,000 to \$24,999   | 80                     | 4.8%                          | \$5,975     |
| \$25,000 to \$49,999   | 230                    | 13.7%                         | \$5,396     |
| \$50,000 to \$74,999   | 270                    | 27.6%                         | \$5,100     |
| \$75,000 to \$99,999   | 250                    | 41.7%                         | \$6,152     |
| \$100,000 to \$199,999 | 330                    | 61.1%                         | \$7,015     |
| \$200,000 or more      | 50                     | 50.0%                         | \$8,200     |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Benton County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 37,890              | 10,330                 | 27.3%                         | -0.05              |

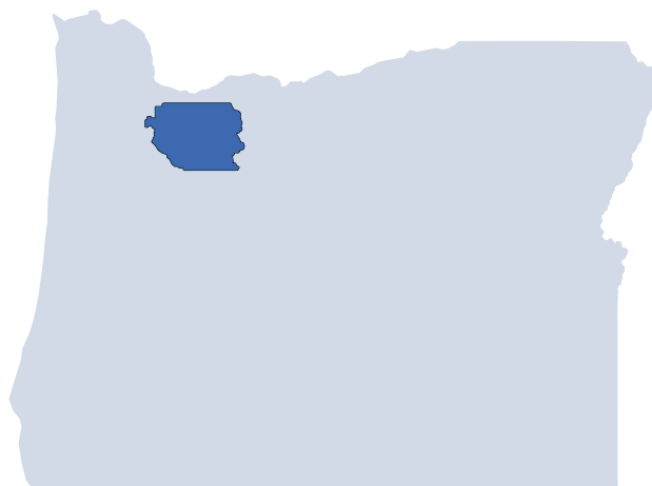
\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Benton County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 120                    | 1.9%                          | \$6,342     |
| \$10,000 to \$24,999   | 360                    | 4.7%                          | \$6,153     |
| \$25,000 to \$49,999   | 1,050                  | 14.7%                         | \$6,353     |
| \$50,000 to \$74,999   | 1,740                  | 36.0%                         | \$6,942     |
| \$75,000 to \$99,999   | 1,960                  | 53.4%                         | \$7,371     |
| \$100,000 to \$199,999 | 3,960                  | 67.6%                         | \$8,283     |
| \$200,000 or more      | 1,140                  | 67.9%                         | \$11,975    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Clackamas County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 189,480             | 65,460                 | 34.5%                         | 0.46               |

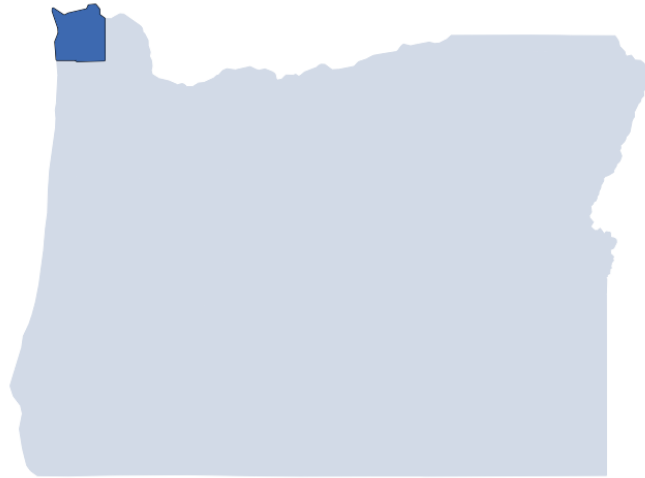
\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Clackamas County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 780                    | 3.2%                          | \$7,444     |
| \$10,000 to \$24,999   | 2,470                  | 7.3%                          | \$7,193     |
| \$25,000 to \$49,999   | 7,370                  | 18.2%                         | \$7,305     |
| \$50,000 to \$74,999   | 11,790                 | 42.4%                         | \$7,794     |
| \$75,000 to \$99,999   | 12,100                 | 60.8%                         | \$8,603     |
| \$100,000 to \$199,999 | 22,640                 | 76.1%                         | \$10,257    |
| \$200,000 or more      | 8,310                  | 78.5%                         | \$15,659    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Clatsop County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 17,610              | 4,140                  | 23.5%                         | -0.16              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

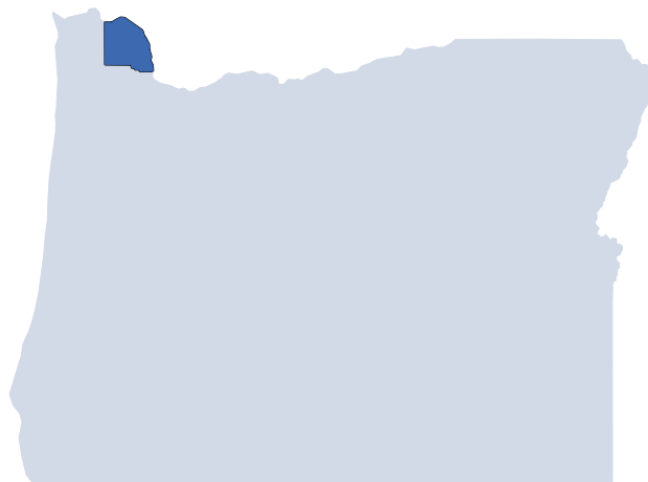
### Clatsop County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 80                     | 3.0%                          | \$6,413     |
| \$10,000 to \$24,999   | 250                    | 6.0%                          | \$6,304     |
| \$25,000 to \$49,999   | 660                    | 15.2%                         | \$6,889     |
| \$50,000 to \$74,999   | 900                    | 36.3%                         | \$7,480     |
| \$75,000 to \$99,999   | 890                    | 53.3%                         | \$8,246     |
| \$100,000 to \$199,999 | 1,110                  | 68.1%                         | \$9,027     |
| \$200,000 or more      | 250                    | 69.4%                         | \$13,964    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Columbia County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 21,810              | 7,160                  | 32.8%                         | 0.12               |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Columbia County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 100                    | 3.6%                          | \$6,120     |
| \$10,000 to \$24,999   | 300                    | 7.1%                          | \$6,323     |
| \$25,000 to \$49,999   | 980                    | 20.2%                         | \$6,531     |
| \$50,000 to \$74,999   | 1,550                  | 42.2%                         | \$7,019     |
| \$75,000 to \$99,999   | 1,620                  | 61.6%                         | \$7,814     |
| \$100,000 to \$199,999 | 2,320                  | 78.1%                         | \$8,828     |
| \$200,000 or more      | 290                    | 76.3%                         | \$12,210    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Coos County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 26,900              | 5,210                  | 19.4%                         | -0.40              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

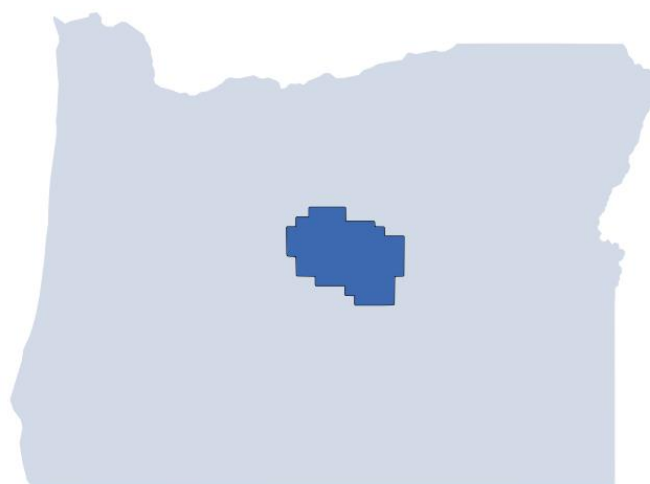
### Coos County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 120                    | 2.6%                          | \$6,067     |
| \$10,000 to \$24,999   | 400                    | 5.7%                          | \$5,688     |
| \$25,000 to \$49,999   | 1,070                  | 16.4%                         | \$6,058     |
| \$50,000 to \$74,999   | 1,120                  | 30.7%                         | \$6,621     |
| \$75,000 to \$99,999   | 990                    | 46.3%                         | \$6,983     |
| \$100,000 to \$199,999 | 1,210                  | 61.1%                         | \$7,947     |
| \$200,000 or more      | 300                    | 65.2%                         | \$11,623    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Crook County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 9,200               | 2,130                  | 23.2%                         | -0.23              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Crook County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 60                     | 4.4%                          | \$5,817     |
| \$10,000 to \$24,999   | 170                    | 7.9%                          | \$6,124     |
| \$25,000 to \$49,999   | 380                    | 16.7%                         | \$6,011     |
| \$50,000 to \$74,999   | 450                    | 32.6%                         | \$6,524     |
| \$75,000 to \$99,999   | 430                    | 50.6%                         | \$7,853     |
| \$100,000 to \$199,999 | 540                    | 69.2%                         | \$9,069     |
| \$200,000 or more      | 100                    | 62.5%                         | \$13,220    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Curry County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 10,330              | 2,010                  | 19.5%                         | -0.27              |

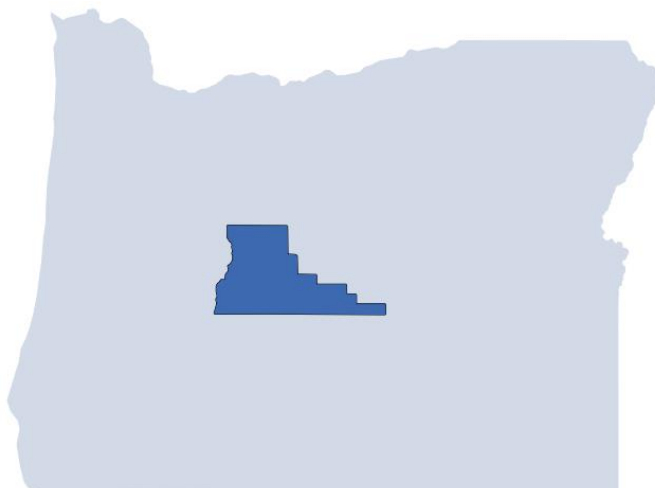
\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Curry County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 80                     | 4.3%                          | \$7,988     |
| \$10,000 to \$24,999   | 180                    | 6.9%                          | \$6,289     |
| \$25,000 to \$49,999   | 380                    | 16.2%                         | \$6,966     |
| \$50,000 to \$74,999   | 410                    | 30.1%                         | \$7,934     |
| \$75,000 to \$99,999   | 390                    | 46.4%                         | \$8,754     |
| \$100,000 to \$199,999 | 460                    | 58.2%                         | \$10,265    |
| \$200,000 or more      | 110                    | 64.7%                         | \$14,255    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Deschutes County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 81,790              | 23,600                 | 28.9%                         | 0.10               |

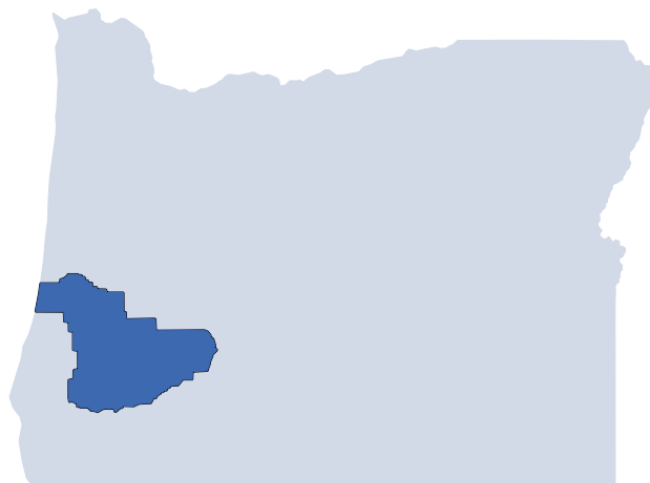
\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Deschutes County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 450                    | 3.8%                          | \$6,718     |
| \$10,000 to \$24,999   | 1,310                  | 7.3%                          | \$6,802     |
| \$25,000 to \$49,999   | 3,510                  | 19.1%                         | \$6,544     |
| \$50,000 to \$74,999   | 4,580                  | 41.7%                         | \$7,352     |
| \$75,000 to \$99,999   | 4,480                  | 58.2%                         | \$8,093     |
| \$100,000 to \$199,999 | 7,060                  | 71.3%                         | \$9,808     |
| \$200,000 or more      | 2,210                  | 72.0%                         | \$14,765    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Douglas County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 44,920              | 9,210                  | 20.5%                         | -0.34              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

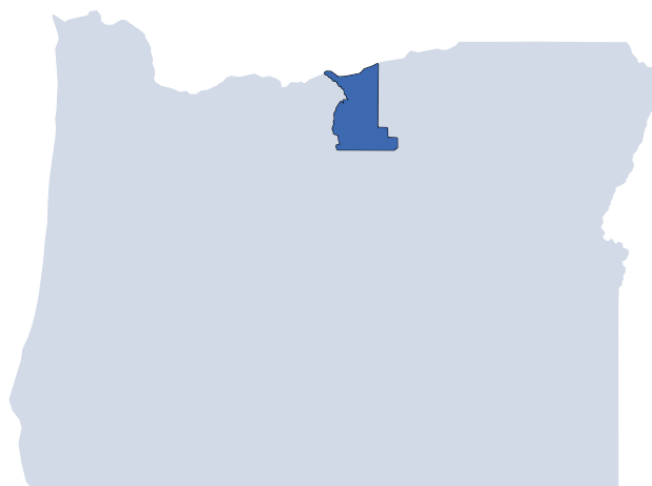
### Douglas County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 200                    | 2.8%                          | \$7,145     |
| \$10,000 to \$24,999   | 650                    | 5.7%                          | \$6,120     |
| \$25,000 to \$49,999   | 1,680                  | 15.2%                         | \$6,065     |
| \$50,000 to \$74,999   | 2,080                  | 33.3%                         | \$6,741     |
| \$75,000 to \$99,999   | 1,910                  | 49.5%                         | \$7,398     |
| \$100,000 to \$199,999 | 2,230                  | 64.6%                         | \$8,409     |
| \$200,000 or more      | 460                    | 64.8%                         | \$12,180    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Gilliam County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 820                 | 120                    | 14.6%                         | -0.70              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

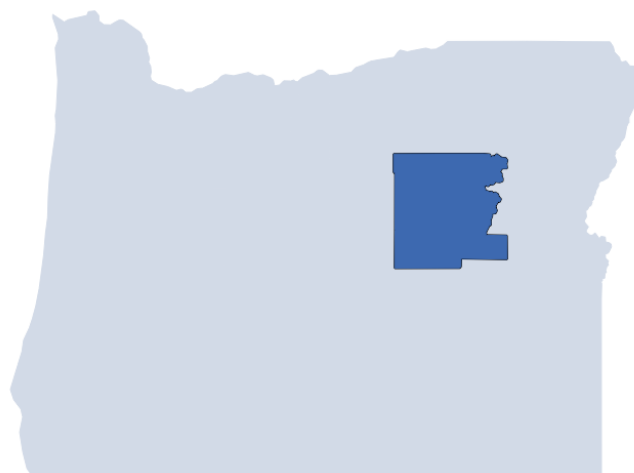
### Gilliam County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | n/a                    | n/a                           | n/a         |
| \$10,000 to \$24,999   | 30                     | 18.8%                         | \$3,967     |
| \$25,000 to \$49,999   | n/a                    | n/a                           | n/a         |
| \$50,000 to \$74,999   | 30                     | 20.0%                         | \$4,267     |
| \$75,000 to \$99,999   | 30                     | 33.3%                         | \$4,533     |
| \$100,000 to \$199,999 | 30                     | 33.3%                         | \$6,100     |
| \$200,000 or more      | n/a                    | n/a                           | n/a         |

n/a indicates data suppressed for confidentiality.  
Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Grant County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 3,040               | 530                    | 17.4%                         | -0.52              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

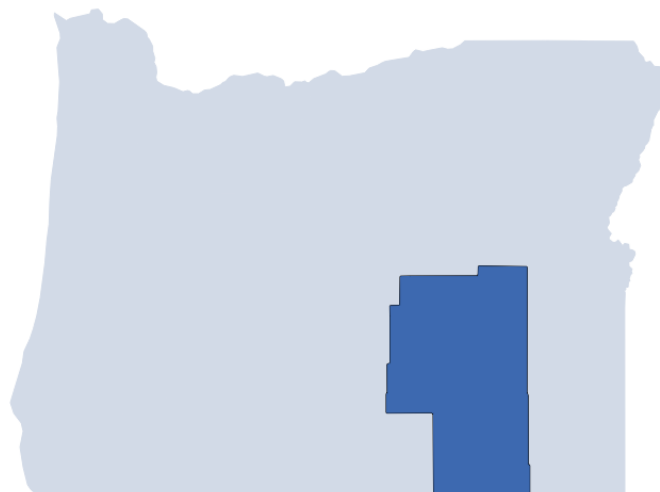
### Grant County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | n/a                    | n/a                           | n/a         |
| \$10,000 to \$24,999   | 40                     | 5.8%                          | \$4,075     |
| \$25,000 to \$49,999   | 100                    | 13.3%                         | \$5,770     |
| \$50,000 to \$74,999   | 130                    | 28.3%                         | \$5,615     |
| \$75,000 to \$99,999   | 120                    | 40.0%                         | \$6,533     |
| \$100,000 to \$199,999 | 140                    | 60.9%                         | \$7,779     |
| \$200,000 or more      | n/a                    | n/a                           | n/a         |

n/a indicates data suppressed for confidentiality.  
Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Harney County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 2,970               | 410                    | 13.8%                         | -0.66              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

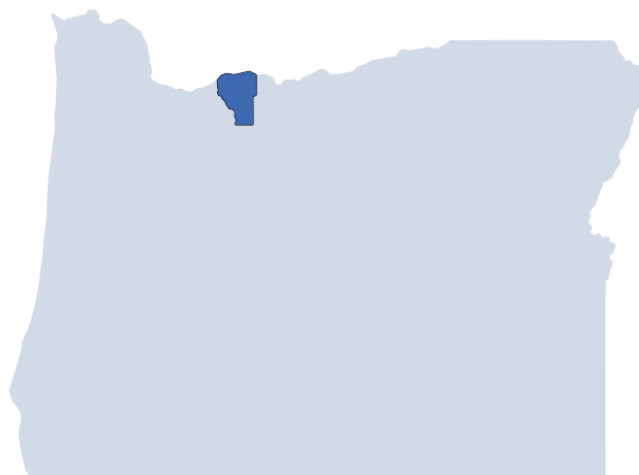
### Harney County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | n/a                    | n/a                           | n/a         |
| \$10,000 to \$24,999   | 40                     | 5.3%                          | \$4,825     |
| \$25,000 to \$49,999   | 70                     | 10.4%                         | \$5,071     |
| \$50,000 to \$74,999   | 100                    | 23.3%                         | \$5,050     |
| \$75,000 to \$99,999   | 80                     | 38.1%                         | \$5,600     |
| \$100,000 to \$199,999 | 120                    | 60.0%                         | \$6,750     |
| \$200,000 or more      | n/a                    | n/a                           | n/a         |

n/a indicates data suppressed for confidentiality.  
Source: OCPP analysis of 2014 Internal Revenue Service data.



## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Hood River County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 11,600              | 2,730                  | 23.5%                         | -0.08              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

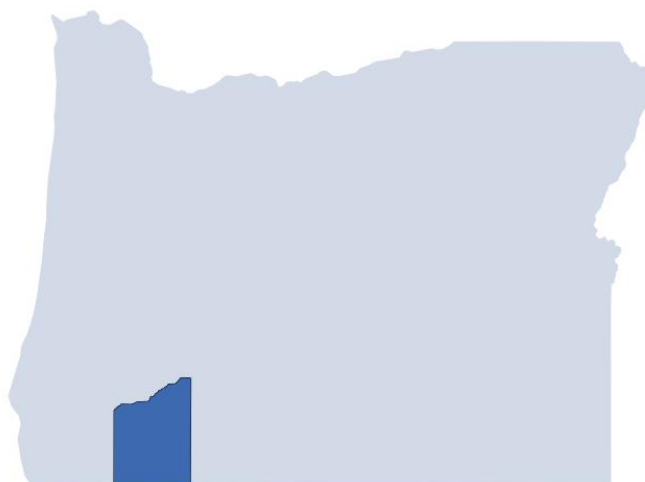
### Hood River County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 40                     | 2.4%                          | \$7,600     |
| \$10,000 to \$24,999   | 130                    | 4.9%                          | \$7,931     |
| \$25,000 to \$49,999   | 400                    | 13.8%                         | \$7,370     |
| \$50,000 to \$74,999   | 520                    | 33.1%                         | \$8,194     |
| \$75,000 to \$99,999   | 520                    | 52.5%                         | \$8,612     |
| \$100,000 to \$199,999 | 870                    | 68.0%                         | \$9,597     |
| \$200,000 or more      | 250                    | 67.6%                         | \$12,488    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Jackson County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 96,950              | 23,070                 | 23.8%                         | -0.14              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

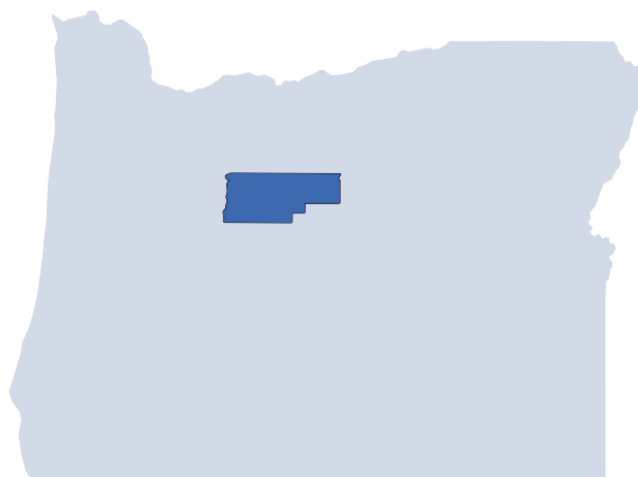
### Jackson County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 530                    | 3.4%                          | \$6,874     |
| \$10,000 to \$24,999   | 1,570                  | 6.6%                          | \$6,601     |
| \$25,000 to \$49,999   | 4,100                  | 17.6%                         | \$6,592     |
| \$50,000 to \$74,999   | 4,890                  | 37.7%                         | \$7,448     |
| \$75,000 to \$99,999   | 4,390                  | 55.6%                         | \$8,036     |
| \$100,000 to \$199,999 | 5,950                  | 66.7%                         | \$9,522     |
| \$200,000 or more      | 1,640                  | 66.4%                         | \$13,915    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Jefferson County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 9,050               | 1,620                  | 17.9%                         | -0.46              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Jefferson County's federal mortgage interest deduction by income

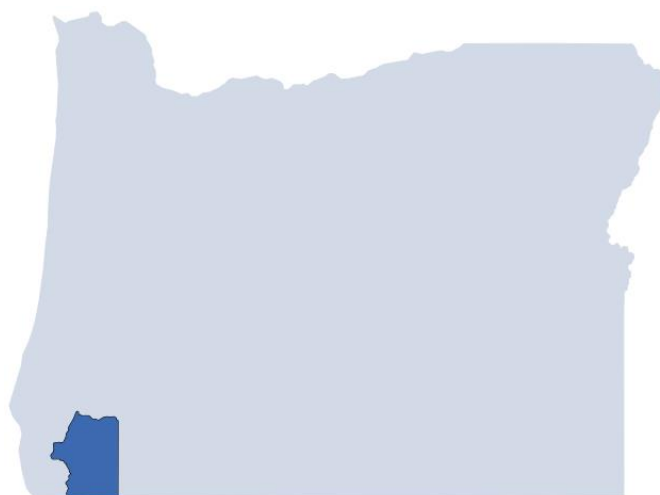
| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 50                     | 3.1%                          | \$6,160     |
| \$10,000 to \$24,999   | 130                    | 5.7%                          | \$5,331     |
| \$25,000 to \$49,999   | 310                    | 13.0%                         | \$6,365     |
| \$50,000 to \$74,999   | 360                    | 31.0%                         | \$6,483     |
| \$75,000 to \$99,999   | 340                    | 49.3%                         | \$7,006     |
| \$100,000 to \$199,999 | 380                    | 61.3%                         | \$8,032     |
| \$200,000 or more      | 50                     | 50.0%                         | \$10,240    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties

### Josephine County (2014)



| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 35,560              | 7,380                  | 20.8%                         | -0.26              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

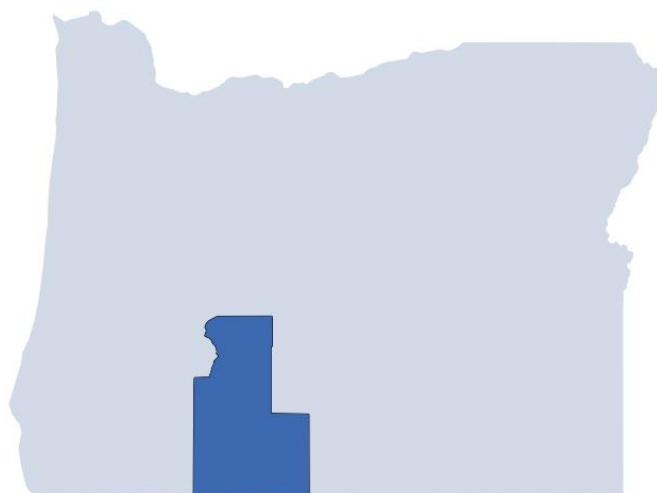
### Josephine County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 210                    | 3.4%                          | \$7,681     |
| \$10,000 to \$24,999   | 650                    | 6.8%                          | \$7,063     |
| \$25,000 to \$49,999   | 1,550                  | 17.7%                         | \$7,046     |
| \$50,000 to \$74,999   | 1,640                  | 35.4%                         | \$7,873     |
| \$75,000 to \$99,999   | 1,340                  | 51.3%                         | \$8,086     |
| \$100,000 to \$199,999 | 1,610                  | 67.1%                         | \$9,362     |
| \$200,000 or more      | 380                    | 64.4%                         | \$12,792    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Klamath County (2014)



| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 27,160              | 5,420                  | 20.0%                         | -0.39              |

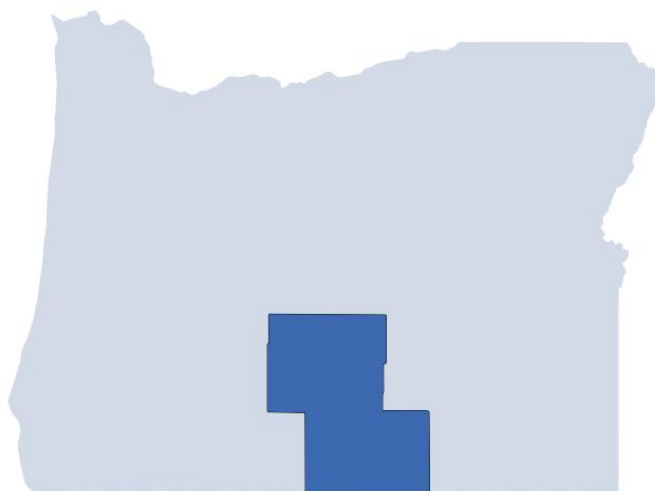
\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Klamath County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 100                    | 2.2%                          | \$6,690     |
| \$10,000 to \$24,999   | 350                    | 5.0%                          | \$5,591     |
| \$25,000 to \$49,999   | 910                    | 13.9%                         | \$5,864     |
| \$50,000 to \$74,999   | 1,190                  | 31.6%                         | \$6,632     |
| \$75,000 to \$99,999   | 1,110                  | 49.8%                         | \$6,836     |
| \$100,000 to \$199,999 | 1,500                  | 67.9%                         | \$7,733     |
| \$200,000 or more      | 260                    | 63.4%                         | \$12,638    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Lake County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 3,080               | 460                    | 14.9%                         | -0.62              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Lake County's federal mortgage interest deduction by income

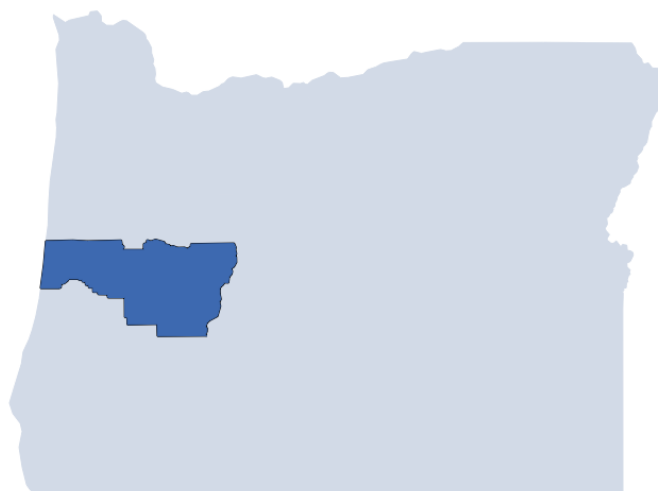
| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | n/a                    | n/a                           | n/a         |
| \$10,000 to \$24,999   | 40                     | 5.4%                          | \$4,300     |
| \$25,000 to \$49,999   | 70                     | 9.7%                          | \$4,857     |
| \$50,000 to \$74,999   | 110                    | 25.0%                         | \$5,482     |
| \$75,000 to \$99,999   | 100                    | 35.7%                         | \$6,910     |
| \$100,000 to \$199,999 | 140                    | 60.9%                         | \$6,564     |
| \$200,000 or more      | n/a                    | n/a                           | n/a         |

n/a indicates data suppressed for confidentiality.

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Lane County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 161,290             | 40,710                 | 25.2%                         | -0.14              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Lane County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 730                    | 2.8%                          | \$6,548     |
| \$10,000 to \$24,999   | 2,330                  | 6.1%                          | \$6,243     |
| \$25,000 to \$49,999   | 6,850                  | 17.9%                         | \$6,287     |
| \$50,000 to \$74,999   | 8,620                  | 39.0%                         | \$7,014     |
| \$75,000 to \$99,999   | 8,300                  | 57.7%                         | \$7,670     |
| \$100,000 to \$199,999 | 10,930                 | 70.5%                         | \$8,833     |
| \$200,000 or more      | 2,950                  | 68.1%                         | \$12,392    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Lincoln County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 21,590              | 4,780                  | 22.1%                         | -0.25              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Lincoln County's federal mortgage interest deduction by income

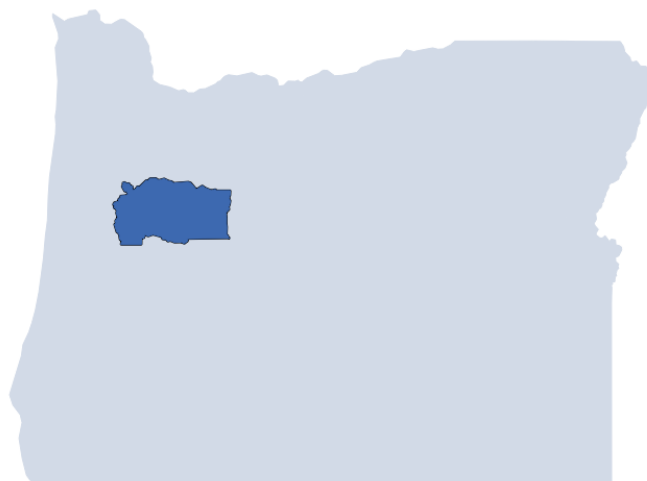
| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 150                    | 4.5%                          | \$6,780     |
| \$10,000 to \$24,999   | 390                    | 7.0%                          | \$5,967     |
| \$25,000 to \$49,999   | 830                    | 16.3%                         | \$6,619     |
| \$50,000 to \$74,999   | 1,040                  | 36.0%                         | \$6,931     |
| \$75,000 to \$99,999   | 920                    | 51.1%                         | \$7,845     |
| \$100,000 to \$199,999 | 1,230                  | 63.7%                         | \$8,892     |
| \$200,000 or more      | 220                    | 59.5%                         | \$13,186    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Linn County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 51,380              | 12,700                 | 24.7%                         | -0.26              |

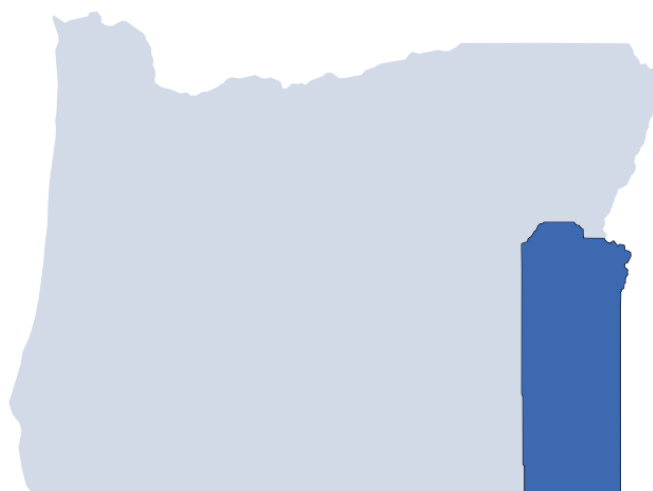
\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Linn County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 200                    | 2.6%                          | \$6,355     |
| \$10,000 to \$24,999   | 680                    | 5.6%                          | \$5,868     |
| \$25,000 to \$49,999   | 2,140                  | 16.8%                         | \$5,726     |
| \$50,000 to \$74,999   | 3,020                  | 37.6%                         | \$6,469     |
| \$75,000 to \$99,999   | 2,960                  | 59.3%                         | \$6,975     |
| \$100,000 to \$199,999 | 3,320                  | 73.1%                         | \$7,864     |
| \$200,000 or more      | 380                    | 61.3%                         | \$9,913     |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Malheur County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 10,590              | 1,480                  | 14.0%                         | -0.63              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

## Malheur County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 20                     | 1.1%                          | \$5,950     |
| \$10,000 to \$24,999   | 90                     | 3.1%                          | \$5,822     |
| \$25,000 to \$49,999   | 280                    | 10.6%                         | \$5,661     |
| \$50,000 to \$74,999   | 340                    | 24.1%                         | \$5,871     |
| \$75,000 to \$99,999   | 320                    | 45.7%                         | \$5,741     |
| \$100,000 to \$199,999 | 370                    | 56.1%                         | \$6,589     |
| \$200,000 or more      | 60                     | 42.9%                         | \$7,883     |

Source: OCPP analysis of 2014 Internal Revenue Service data.

## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Marion County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 140,350             | 35,100                 | 25.0%                         | -0.18              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

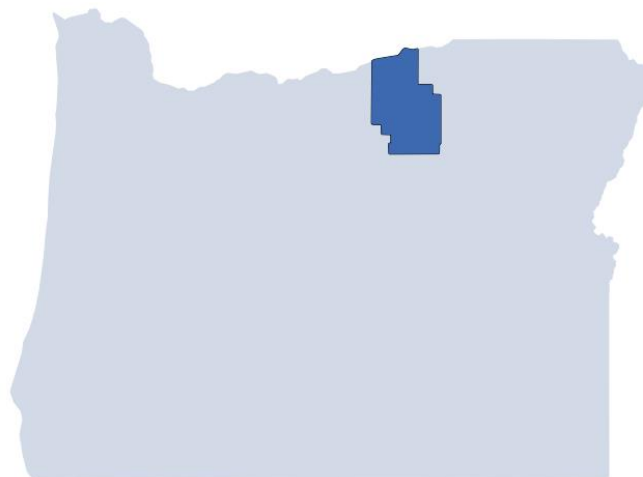
### Marion County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 490                    | 2.4%                          | \$6,506     |
| \$10,000 to \$24,999   | 1,660                  | 5.0%                          | \$5,951     |
| \$25,000 to \$49,999   | 5,710                  | 15.8%                         | \$6,247     |
| \$50,000 to \$74,999   | 8,050                  | 40.0%                         | \$6,679     |
| \$75,000 to \$99,999   | 7,380                  | 59.4%                         | \$7,359     |
| \$100,000 to \$199,999 | 9,950                  | 72.9%                         | \$8,542     |
| \$200,000 or more      | 1,860                  | 68.4%                         | \$12,273    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Morrow County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 4,770               | 760                    | 15.9%                         | -0.62              |

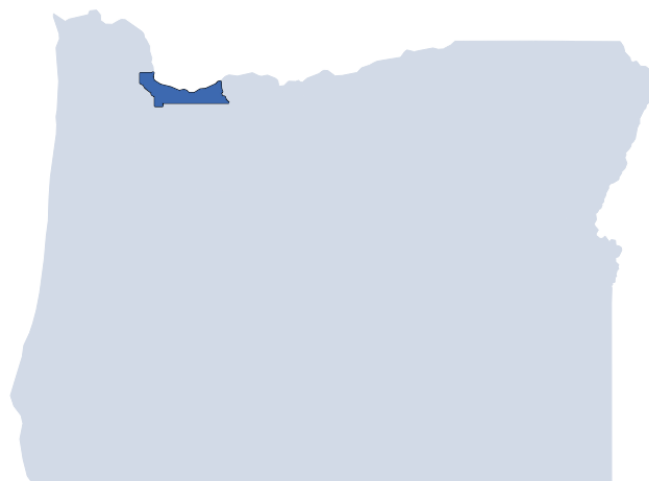
\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Morrow County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | n/a                    | n/a                           | n/a         |
| \$10,000 to \$24,999   | 40                     | 3.7%                          | \$ 4,550    |
| \$25,000 to \$49,999   | 130                    | 9.2%                          | \$ 4,154    |
| \$50,000 to \$74,999   | 160                    | 23.9%                         | \$ 4,969    |
| \$75,000 to \$99,999   | 150                    | 34.9%                         | \$ 5,840    |
| \$100,000 to \$199,999 | 250                    | 61.0%                         | \$ 6,120    |
| \$200,000 or more      | 30                     | 50.0%                         | \$ 7,667    |

n/a indicates data suppressed for confidentiality.  
Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Multnomah County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 385,290             | 106,140                | 27.5%                         | 0.05               |

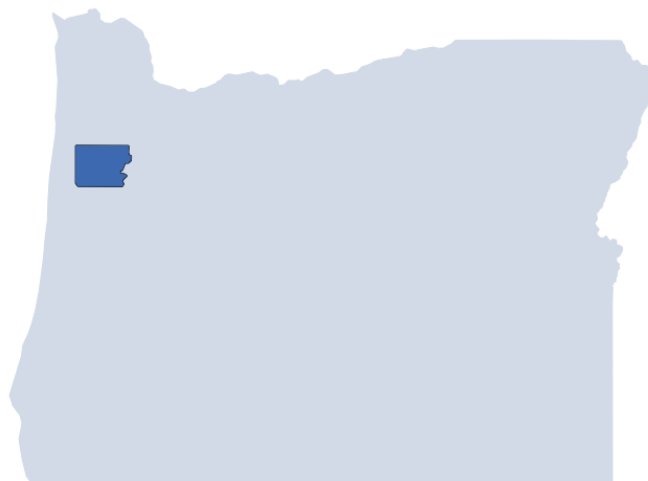
\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Multnomah County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 1,450                  | 2.9%                          | \$6,699     |
| \$10,000 to \$24,999   | 4,560                  | 5.4%                          | \$6,526     |
| \$25,000 to \$49,999   | 15,160                 | 16.0%                         | \$6,550     |
| \$50,000 to \$74,999   | 21,250                 | 39.3%                         | \$7,163     |
| \$75,000 to \$99,999   | 19,040                 | 56.6%                         | \$7,953     |
| \$100,000 to \$199,999 | 32,160                 | 71.3%                         | \$9,497     |
| \$200,000 or more      | 12,520                 | 75.0%                         | \$14,492    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Polk County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 33,540              | 9,820                  | 29.3%                         | -0.01              |

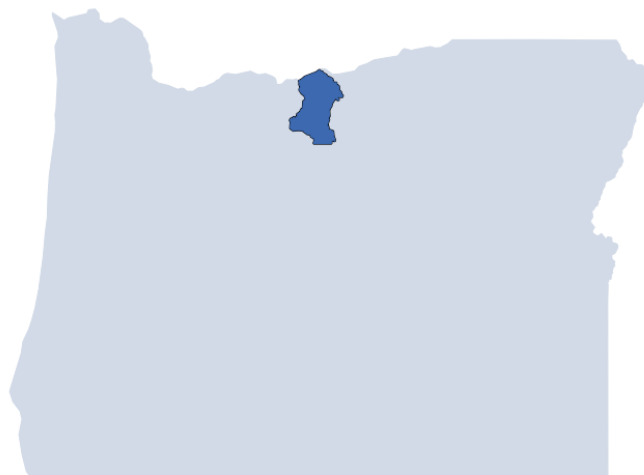
\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Polk County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 120                    | 2.5%                          | \$6,142     |
| \$10,000 to \$24,999   | 440                    | 6.4%                          | \$6,223     |
| \$25,000 to \$49,999   | 1,330                  | 17.5%                         | \$6,168     |
| \$50,000 to \$74,999   | 2,020                  | 40.6%                         | \$6,907     |
| \$75,000 to \$99,999   | 2,170                  | 59.8%                         | \$7,549     |
| \$100,000 to \$199,999 | 3,230                  | 73.7%                         | \$8,683     |
| \$200,000 or more      | 510                    | 68.9%                         | \$12,349    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Sherman County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 830                 | 120                    | 14.5%                         | -0.65              |

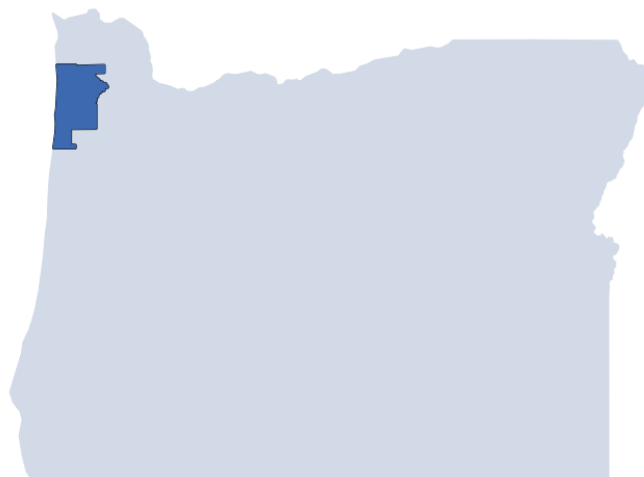
\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Sherman County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | n/a                    | n/a                           | n/a         |
| \$10,000 to \$24,999   | 30                     | 18.8%                         | \$3,567     |
| \$25,000 to \$49,999   | n/a                    | n/a                           | n/a         |
| \$50,000 to \$74,999   | 30                     | 21.4%                         | \$5,267     |
| \$75,000 to \$99,999   | 30                     | 30.0%                         | \$7,200     |
| \$100,000 to \$199,999 | 30                     | 33.3%                         | \$6,300     |
| \$200,000 or more      | n/a                    | n/a                           | n/a         |

n/a indicates data suppressed for confidentiality.  
Source: OCPP analysis of 2014 Internal Revenue Service data.

## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Tillamook County

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 11,750              | 2,670                  | 22.7%                         | -0.22              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Tillamook County's federal mortgage interest deduction by income

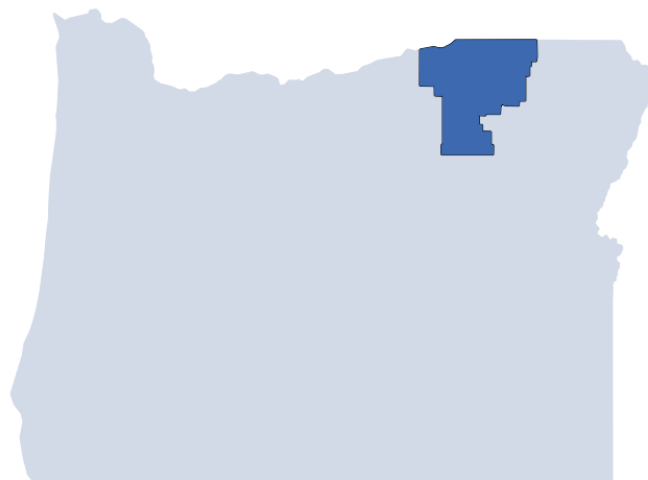
| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 70                     | 3.8%                          | \$5,786     |
| \$10,000 to \$24,999   | 210                    | 7.6%                          | \$6,986     |
| \$25,000 to \$49,999   | 490                    | 16.8%                         | \$6,631     |
| \$50,000 to \$74,999   | 580                    | 34.1%                         | \$7,140     |
| \$75,000 to \$99,999   | 540                    | 51.9%                         | \$8,046     |
| \$100,000 to \$199,999 | 650                    | 67.0%                         | \$9,095     |
| \$200,000 or more      | 130                    | 65.0%                         | \$12,177    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Umatilla County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 31,430              | 6,150                  | 19.6%                         | -0.49              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

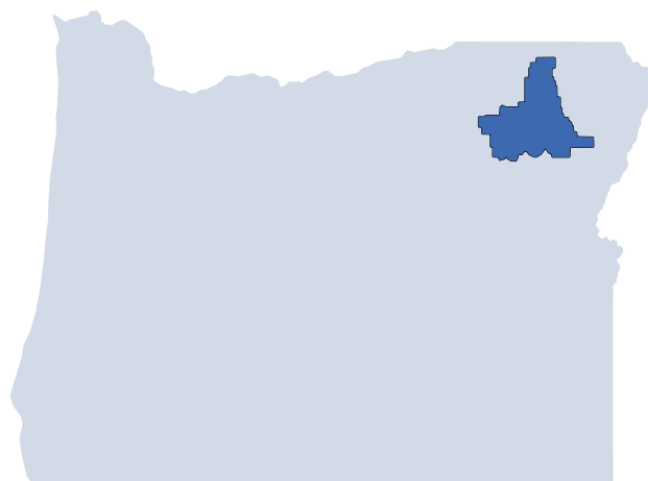
### Umatilla County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 70                     | 1.7%                          | \$5,629     |
| \$10,000 to \$24,999   | 270                    | 3.4%                          | \$5,326     |
| \$25,000 to \$49,999   | 1,020                  | 12.1%                         | \$5,125     |
| \$50,000 to \$74,999   | 1,380                  | 30.3%                         | \$5,407     |
| \$75,000 to \$99,999   | 1,310                  | 47.5%                         | \$5,995     |
| \$100,000 to \$199,999 | 1,840                  | 68.4%                         | \$6,508     |
| \$200,000 or more      | 260                    | 60.5%                         | \$9,496     |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Union County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 11,210              | 2,330                  | 20.8%                         | -0.43              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

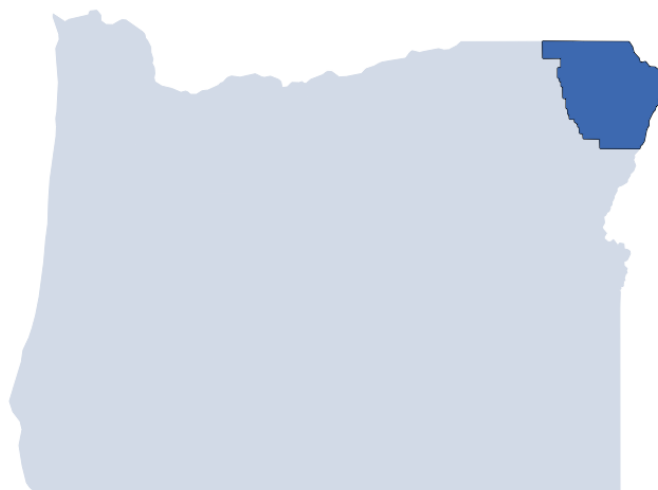
### Union County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 30                     | 1.8%                          | \$5,733     |
| \$10,000 to \$24,999   | 130                    | 5.0%                          | \$5,900     |
| \$25,000 to \$49,999   | 400                    | 14.1%                         | \$5,250     |
| \$50,000 to \$74,999   | 480                    | 30.4%                         | \$5,819     |
| \$75,000 to \$99,999   | 510                    | 48.6%                         | \$6,543     |
| \$100,000 to \$199,999 | 670                    | 65.0%                         | \$6,679     |
| \$200,000 or more      | 110                    | 57.9%                         | \$9,891     |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Wallowa County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 3,310               | 570                    | 17.2%                         | -0.49              |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

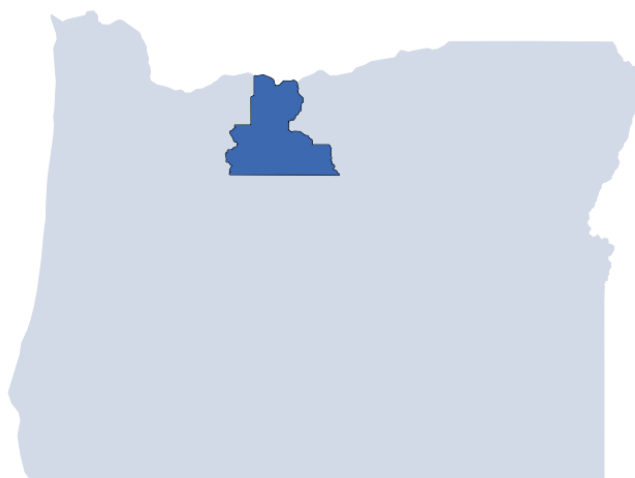
### Wallowa County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | n/a                    | n/a                           | n/a         |
| \$10,000 to \$24,999   | 60                     | 8.2%                          | \$5,533     |
| \$25,000 to \$49,999   | 110                    | 14.3%                         | \$5,782     |
| \$50,000 to \$74,999   | 140                    | 28.0%                         | \$6,750     |
| \$75,000 to \$99,999   | 110                    | 36.7%                         | \$6,573     |
| \$100,000 to \$199,999 | 130                    | 46.4%                         | \$7,454     |
| \$200,000 or more      | 20                     | 50.0%                         | \$12,800    |

n/a indicates data suppressed for confidentiality.  
Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Wasco County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 11,200              | 2,280                  | 20.4%                         | -0.39              |

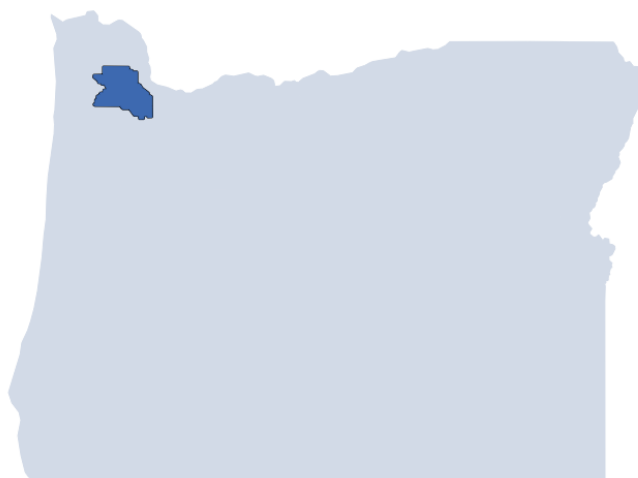
\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Wasco County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 30                     | 1.7%                          | \$6,633     |
| \$10,000 to \$24,999   | 130                    | 4.6%                          | \$5,362     |
| \$25,000 to \$49,999   | 430                    | 15.0%                         | \$5,949     |
| \$50,000 to \$74,999   | 500                    | 32.5%                         | \$6,218     |
| \$75,000 to \$99,999   | 460                    | 52.9%                         | \$7,211     |
| \$100,000 to \$199,999 | 630                    | 64.9%                         | \$7,752     |
| \$200,000 or more      | 100                    | 52.6%                         | \$10,250    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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## Washington County (2014)

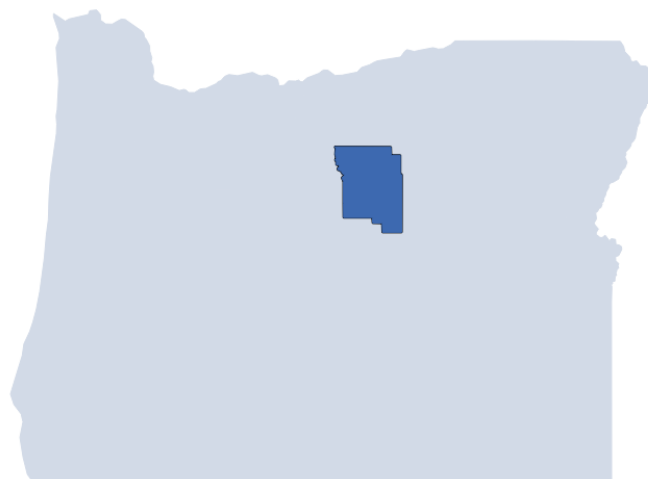
| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 265,690             | 86,470                 | 32.5%                         | 0.27               |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Washington County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 910                    | 2.8%                          | \$6,810     |
| \$10,000 to \$24,999   | 2,780                  | 5.8%                          | \$6,746     |
| \$25,000 to \$49,999   | 9,330                  | 15.8%                         | \$6,936     |
| \$50,000 to \$74,999   | 14,180                 | 38.5%                         | \$7,505     |
| \$75,000 to \$99,999   | 15,700                 | 57.4%                         | \$8,160     |
| \$100,000 to \$199,999 | 32,380                 | 74.0%                         | \$9,600     |
| \$200,000 or more      | 11,190                 | 77.9%                         | \$12,581    |

Source: OCPP analysis of 2014 Internal Revenue Service data.



## Wheeler County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 570                 | 60                     | 10.5%                         | -0.71              |

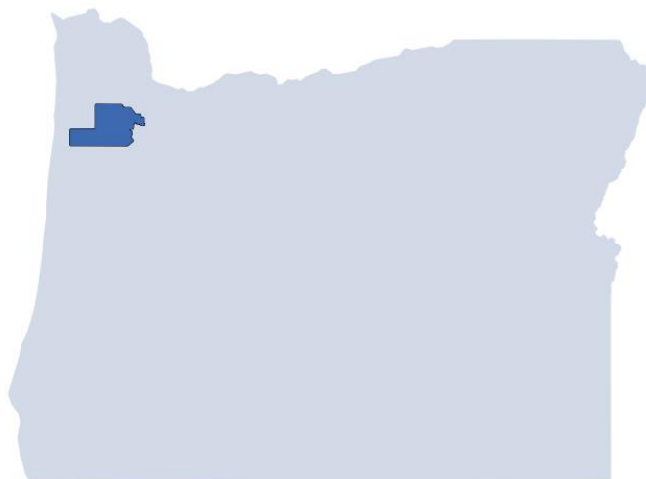
\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Wheeler County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | n/a                    | n/a                           | n/a         |
| \$10,000 to \$24,999   | n/a                    | n/a                           | n/a         |
| \$25,000 to \$49,999   | 40                     | 36.4%                         | \$5,950     |
| \$50,000 to \$74,999   | n/a                    | n/a                           | n/a         |
| \$75,000 to \$99,999   | 20                     | 40.0%                         | \$7,250     |
| \$100,000 to \$199,999 | n/a                    | n/a                           | n/a         |
| \$200,000 or more      | n/a                    | n/a                           | n/a         |

n/a indicates data suppressed for confidentiality.  
Source: OCPP analysis of 2014 Internal Revenue Service data.

## Mortgage Interest Deduction Dollars Mainly Flow to Urban, Not Rural, Counties



### Yamhill County (2014)

| Taxpayers in county | Taxpayers claiming MID | Share of returns claiming MID | MID benefit score* |
|---------------------|------------------------|-------------------------------|--------------------|
| 43,410              | 12,480                 | 28.7%                         | 0.07               |

\* "MID benefit score" is a factor of county's share of Oregon's total federal mortgage interest deduction (MID) dollars divided by county's share of Oregon taxpayers. Counties with a positive score receive a disproportionate share of MID benefits relative to their share of Oregon taxpayers.

### Yamhill County's federal mortgage interest deduction by income

| Adjusted gross income  | Taxpayers claiming MID | Share of returns claiming MID | Average MID |
|------------------------|------------------------|-------------------------------|-------------|
| \$1 to \$10,000        | 180                    | 2.9%                          | \$6,589     |
| \$10,000 to \$24,999   | 590                    | 6.4%                          | \$6,622     |
| \$25,000 to \$49,999   | 1,810                  | 17.2%                         | \$6,745     |
| \$50,000 to \$74,999   | 2,690                  | 42.1%                         | \$7,348     |
| \$75,000 to \$99,999   | 2,660                  | 60.6%                         | \$8,295     |
| \$100,000 to \$199,999 | 3,730                  | 74.3%                         | \$9,759     |
| \$200,000 or more      | 820                    | 71.9%                         | \$14,201    |

Source: OCPP analysis of 2014 Internal Revenue Service data.

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