



HB 2006 - The Homeownership and Housing Opportunity Bill

Testimony for Human Services and Housing Committee – Betsy Salter – March 9, 2017

We support HB 2006 because Oregon is in the midst of a statewide affordable housing crisis, Oregon's biggest housing program will spend over \$1 billion subsidizing homeownership mainly for well-off Oregonians. The current Oregon mortgage interest deduction (MID) does little to help moderate and low-income homeowners. Instead, it subsidizes homeowners at the higher end of the income ladder, including those with a vacation home.

HB 2006 has been written with input from a broad coalition of Oregon advocates for affordable housing and tax fairness.

Too many families across the state are struggling to find a home at all, and more than 20,000 children are homeless - this is a shameful and unacceptable situation. Oregon's MID must be rebalanced to serve more Oregonians who need stable and affordable homes.

HB 2006 proposes common-sense reforms of the MID and redirects excessive housing subsidies for the wealthy to better meet the needs of vulnerable and struggling Oregonians by investing in:

- affordable homeownership,
- affordable rental homes, and
- support services to prevent homelessness.

HB 2006 will modify Oregon's current MID program so that it will better meet its intended purpose of increasing home ownership by making the following simple changes:

- Cap the mortgage interest that can be deducted on state taxes at \$15,000,
- Eliminate the deduction of interest paid for mortgages on vacation and second homes (note – this does not impact workforce rentals; landlords take different deductions for rental properties), and
- Eliminate the deduction for high-income households (over \$200,000 AGI for a couple filing jointly).

The vast majority of Oregon homeowners would not be affected by HB 2006. And, the legislation leaves untouched the larger federal MID for all Oregon homeowners.