



OREGON STATE SENATE

Testimony SB 849

Senate Committee on Business and Transportation

March 22, 2017

In Oregon today, it's never been tougher to be a first-time home-buyer. The demand for affordable homes always seems to exceed the supply. There are all kinds of reasons – the lingering effects of the recession, stagnant wages for the middle class and increasing numbers of people carrying student loans.

This legislation, SB 849, tries to take a swing at the problem by allowing first time homebuyers a tax break on the amount they save toward a down payment of a home. The measure says individual filers may deduct up to \$5,000 per year and joint filers may deduct up to \$10,000.

The goal is to nudge people toward scraping the money together for a down payment – usually this is the hardest part of buying a home. My first home in 1985 cost \$45,000 and my second home cost \$70,000. These amounts today are barely enough to cover down payments for middle class homes in Portland.

You will hear from advocates who will tell you more about the mechanics of this program, about the experiences of other states with similar programs, and about the potential economic benefits we can expect here in Oregon if we pass this into law.

I am intrigued by this program and its potential economic benefits. As Chair of the Senate Committee on Finance and Revenue, I look forward to discussing the bill's potential economic benefits after it is vetted by you folks on this committee. Thank you.

Sincerely,

Oregon State Senator, Mark Hass