

OREGON STUDENT DEBT RELIEF ACT

PROBLEM OF STUDENT DEBT:

Students are coming out of technical school and college with increasing debt. As a result, they are starting off life at a greater disadvantage than prior generations. This disadvantage increases wealth disparity, stymies retirement savings, and prohibits and delays home ownership.

HOW HB 2929 HELPS:

HB 2929 alleviates the burden of student debt by encouraging and incentivizing early savings, improving education, and assisting repayment.

I. Incentivizing Early Savings

- A. Establishes a \$100 refundable tax credit for individuals contributing to a college savings plan, only available for individuals earning less than \$25,000 or couples earning less than \$50,000
- B. Exempts payments into and assets of a college savings plan in determining eligibility of state benefits
- C. Establishes a \$100 tax credit for employers who contribute to an employee's college savings plan
 - i. Credit is equal to the amount contributed, not to exceed \$100 per account
 - ii. The account owner must be the employee
- D. Increases the tax deductions for payments into a college savings plan from \$2,000 for individuals and \$4,000 for couples per filer to per beneficiary

- II. **Improving College Exit Counseling** - Establishes formal educational loan counseling to help educate graduates on the options available and develop a plan for repayment

III. Assisting Student Loan Repayment

- A. Establishes a \$2,500 state tax deduction for payments on student loan interest, only available to single people earning less than \$80,000 and couples earning less than \$160,000
- B. Provides tax credit up to \$2,500 for employers that make payments on their employee's student loans and would not be considered income to the employee
- C. Directs the State Treasurer to create a Student Loan Refinancing Guarantee Program Fund to assist students in refinancing their private loans at a lower interest rate