

HB 2929 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Christine Broniak, Economist

Meeting Dates: 5/1

WHAT THE MEASURE DOES:

Establishes subtraction from personal income taxes for amounts that taxpayers pay in student loan interest. Specifies amount of and eligibility for subtraction. Establishes refundable credit against personal income taxes for contributions to higher education savings network account. Establishes tax credit for amounts contributed to higher education savings network accounts owned by employees of taxpayer. Increases limitation on subtraction for contribution to ABLE account or higher education savings network account to amount per designated beneficiary. Applies the subtraction and credits to the 2017 and subsequent tax years.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

The measure creates an incentive to save for college in addition to the existing 529 College Savings Plan. There is an existing \$2,500 deduction from federal taxable income for student loan interest. The measure adds an Oregon subtraction for an additional \$2,500 of student loan interest, with qualifying income.