

HB 2929

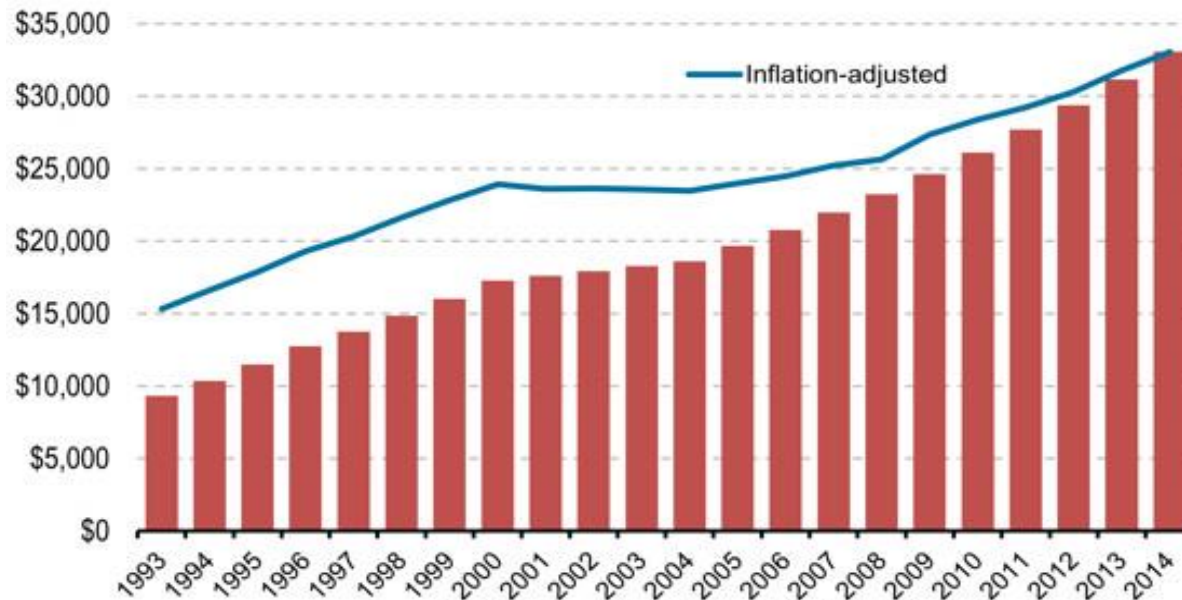
OREGON STUDENT DEBT DEDUCTION

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The Problem with Student Debt

Class of 2014

Average debt per borrower in each year's graduating class.

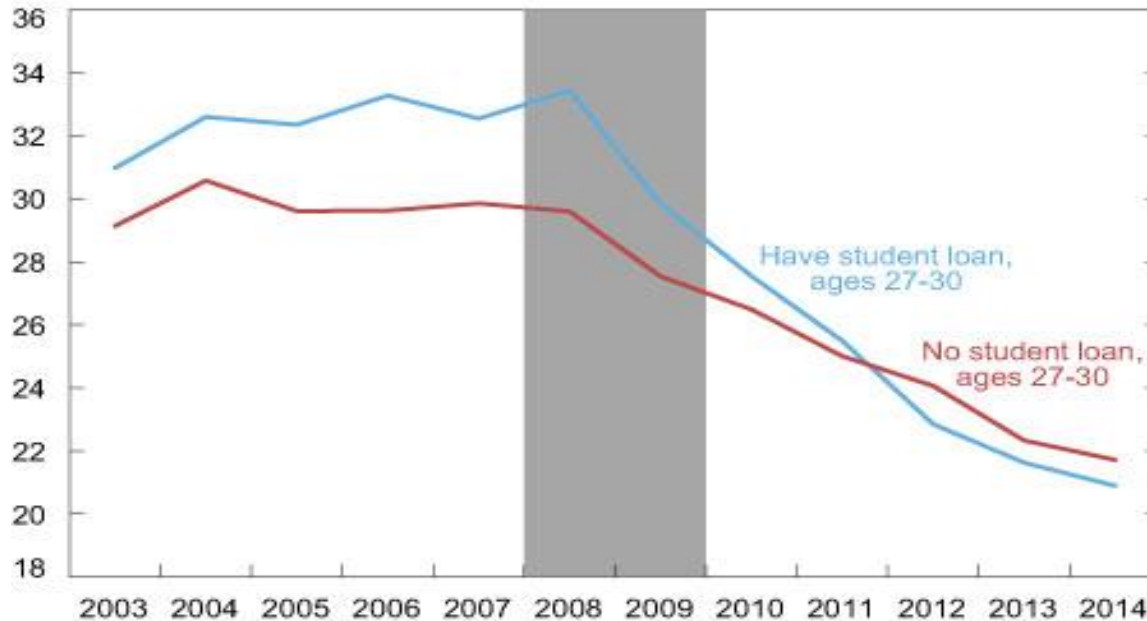


Source: Mark Kantrowitz analysis of National Center for Education Statistics data | WSI.com

The Problem with Student Debt

Proportion of Borrowers with Home-Secured Debt at Age 30

Percent



Source: Federal Reserve Bank of New York Consumer Credit Panel / Equifax.

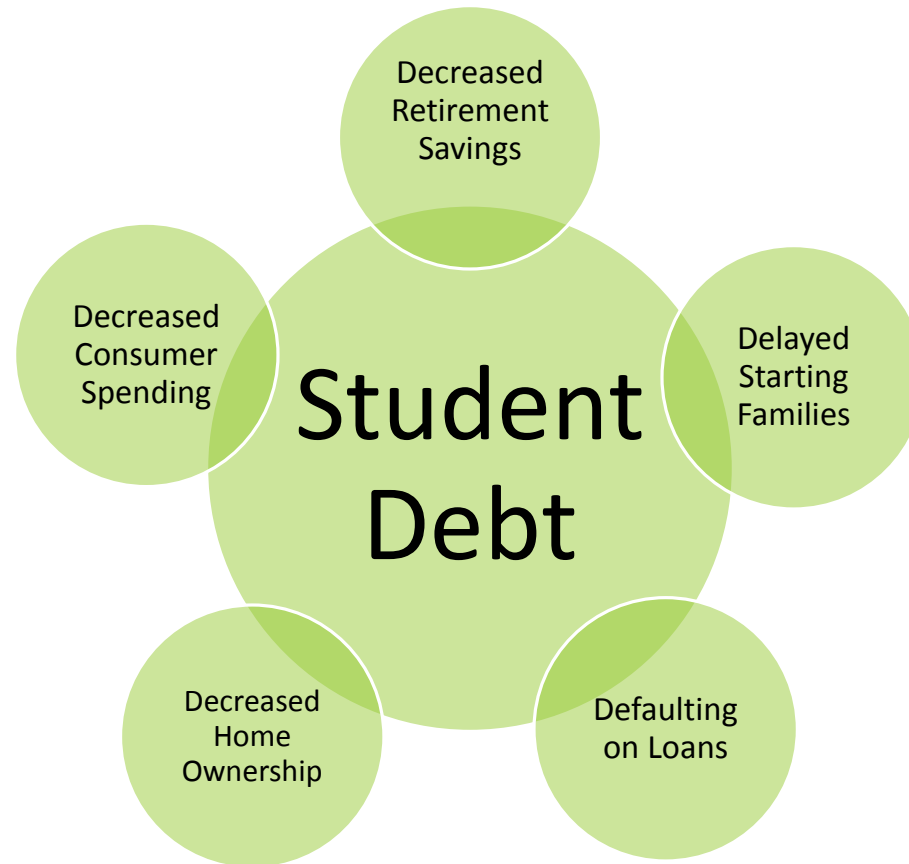
The Problem with Student Debt

- \$1.31 trillion in total U.S. student loan debt¹
- 44.2 million Americans with student loan debt¹
- 63% of Oregonians have student debt²

1. <https://studentloanhero.com/student-loan-debt-statistics/>

2. http://ticas.org/posd/map-state-data#overlay=posd/state_data/2016/or

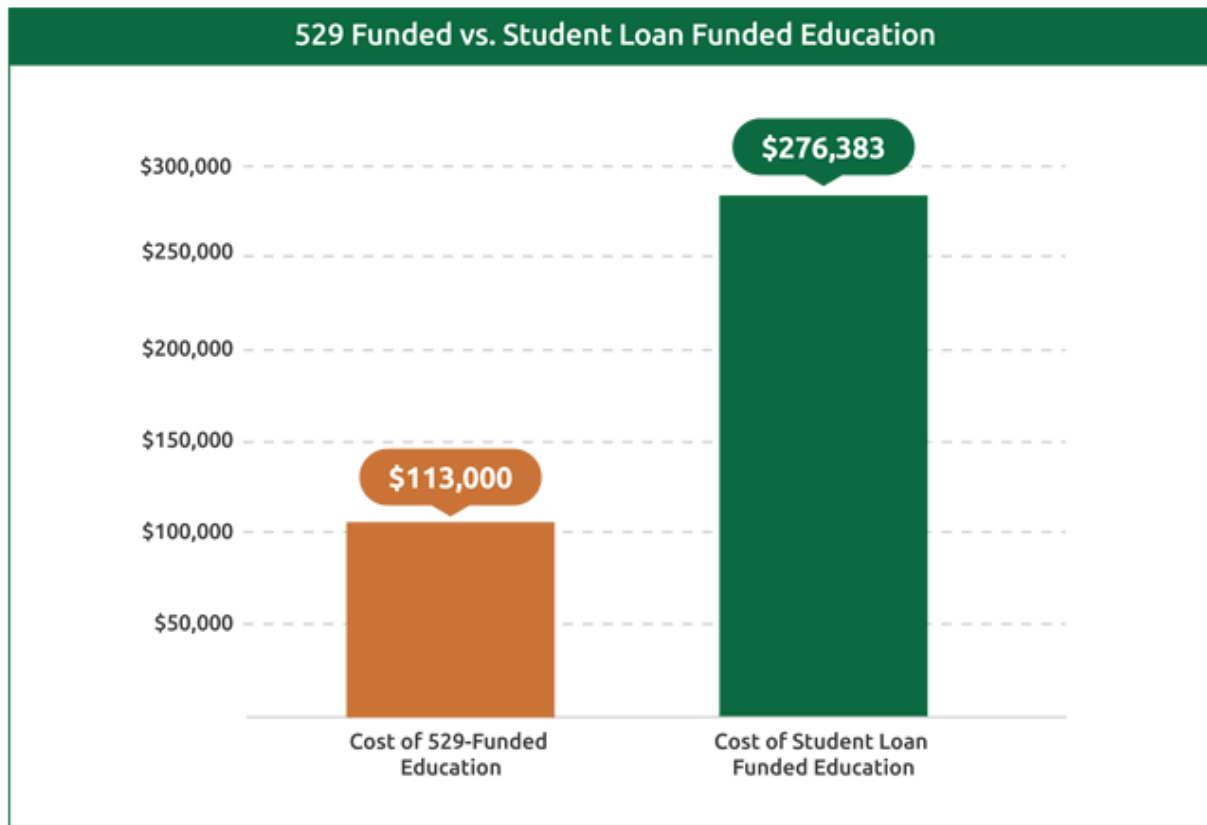
Detrimental Impacts of Student Debt



HB 2929 Components

- Incentivizing Early Savings
- Assisting Student Loan Repayment

Benefits to Saving Early



<https://www.oregoncollegesavings.com/plan/borrowing.shtml>

Incentivizing Early Savings

- \$100 Refundable Tax Credit for Individuals
- \$100 Tax Credit for Employers
- Change in the limits for contributions to the Oregon College Savings network
- Eligibility of State Services

Assisting Student Loan Repayment

- \$2,500 Tax Deduction for Interest Payments

Dream Plan

Component	Revenue Impact (millions)
\$100 Refundable Low-Income Tax Credit for paying into College Savings Plan	\$5.80
\$100 Employer Tax Credit for Paying into Employee's College Savings Plan	\$12.50
Increases tax deductions for payments into a college savings plan from \$2,000 for individuals and \$4,000 for couples per filer to per beneficiary	\$20
\$2,500 State Tax Deduction on Interest Payments	\$7.30
Eligibility to Receive State Services	\$0
Total	\$45.60

\$25 Million Plan

Component	Revenue Impact (millions)
\$100 Refundable Low-Income Tax Credit for paying into College Savings Plan	\$5.8
\$100 Employer Tax Credit for paying into Employee's College Savings Plan	\$12.5
Eligibility to Receive State Services	\$0
\$2,500 State Tax Deduction on Interest Payments	\$7.30
Total	\$25.6

\$15 Million Plan

Individual \$15 Million Plan	
Component	Revenue Impact (millions)
\$50 Refundable Low-Income Tax Credit for paying into College Savings Plan	\$2.90
Increases tax deductions for payments into a college savings plan from \$2,000 for individuals and \$4,000 for couples per filer to per beneficiary (Cutoff at 65/130k)	\$4.60
\$2500 State Tax Deduction on Interest Payments (Cutoff at 65/130k)	\$7
Eligibility to Receive State Services	\$0
Total	\$14.5

\$5 Million Plan

Component	Revenue Impact (millions)
\$25 Refundable Low-Income Tax Credit for paying into College Savings Plan	\$1.50
\$25 Employer Tax Credit for Paying into Employee's College Savings Plan	\$3.10
Eligibility to Receive State Services	\$0
Total	\$4.60

\$0 Million Plan

Component	Revenue Impact
Eligibility to Receive State Services	\$0
Total	\$0.0

Questions?
