

FISCAL IMPACT OF PROPOSED LEGISLATION

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

Measure: HB 3298 - 1

***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Date: 5/25/2017

Measure Description:

Creates refundable personal income tax credit for mortgage interest payments made for taxpayer's principal residence.

Government Unit(s) Affected:

Department of Revenue(DOR)

Analysis:

This bill allows a taxpayer to receive a refundable tax credit on their personal income tax return based on their mortgage interest paid during the tax year. The tax credit is phased out at higher income levels. Taxpayers who deduct their mortgage interest on their federal return would have to add that deduction back to their taxable income on their state tax return to be eligible for the state tax credit.

The Department of Revenue would need to update the personal income tax forms and instructions and program their computer system to accept the new credit. In addition, DOR estimates needing staff to verify eligibility for the credit and answer questions from taxpayers. The Department estimates needing five positions (0.54 FTE) for 2017-2019 and three positions (1.02 FTE) for 2019-2021. The General Fund costs would be \$89,743 for 2017-2019 and \$142,194 for 2019-2021.

The measure requires a subsequent referral to the Joint Committee on Ways and Means for consideration of the budgetary implications of the measure.