



HB 2414 Tax Credit for Interest on Higher Education STEM Loans

Testimony before the House Education Committee – 2.21.2017

It would be nice to reduce the loan burden of students graduating from Oregon's institutions of higher education. However, to do so with a tax credit is like stealing from Peter to pay Paul. Every dollar taken from tax revenues is a dollar less for support of education statewide and for public safety and human services.

Better funding higher education in the first place would reduce the need to raise the tuition which in turn forces students to get loans.

Tax Fairness Oregon strongly believes that until Oregon has a fundamentally fair and adequate revenue stream that can support the basic needs of its citizens, NO legislator should be considering offering new tax credits, tax incentives, grants or tax breaks, attractive as they may seem.

Our mounting tax credits are contributing to the \$1.8 billion shortfall. Since 2003, new tax breaks and bond spending for business, which essentially this bill is, in its own way, have been so numerous, that this biennium the cost is \$835 million. Their impact next biennium will provide a significant part of the \$1.8 b shortfall. This bill would be another for business, given its focus on STEM.

Creates credit against personal income taxes for payment of interest on principal of loans used to attend college or university in Oregon **if taxpayer is granted associate's or higher degree in science, technology, engineering or mathematics and engages in related employment and volunteer service.**

Further, it would be difficult for the DOR to verify the two elements in the bill – the degree and its Oregon institution and the job or volunteer work.

Tax Fairness Oregon strongly believes that until Oregon has a fundamentally fair and adequate revenue stream that can support the basic needs of its citizens NO Legislator should be considering offering tax credits, tax incentives, grants, or tax breaks for new ideas.