

Requested by Representative MEEK

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2996**

1 On page 1 of the printed bill, delete lines 4 through 22 and delete pages  
2 2 through 5 and insert:

3 **“SECTION 1. Sections 2 to 11 of this 2017 Act shall be known and**  
4 **may be cited as the Oregon First-Time Home Buyer Savings Account**  
5 **Act.**

6 **“SECTION 2. The Legislative Assembly finds that saving for a down**  
7 **payment and closing costs for the purchase of a first home is chal-**  
8 **lenging in the present economy. The first-time home buyer savings**  
9 **account program will provide opportunities for Oregon residents to**  
10 **save and grow funds for first-time homeownership and will provide**  
11 **Oregonians with meaningful incentives to save for the purchase of a**  
12 **first home.**

13 **“SECTION 3. As used in sections 2 to 11 of this 2017 Act:**

14 **“(1) ‘Account holder’ means a first-time home buyer who estab-**  
15 **lishes a first-time home buyer savings account.**

16 **“(2) ‘Allowable closing costs’ means disbursements listed in a**  
17 **settlement statement for the purchase of a single family residence by**  
18 **an account holder.**

19 **“(3) ‘Eligible costs’ means the down payment and allowable closing**  
20 **costs for the purchase of a single family residence by an account**  
21 **holder.**

1       “(4) ‘Financial institution’ means a bank, a trust company, a com-  
2       mercial bank, a national bank, a savings bank, a savings and loan, a  
3       thrift institution, a credit union, an insurance company, a mutual  
4       fund, an investment firm or a similar entity authorized to do business  
5       in this state.

6       “(5) ‘First-time home buyer’ means an individual who is a resident  
7       of this state and has not owned or purchased, either individually or  
8       jointly, a single family residence during a period of three years prior  
9       to the date of the purchase of a single family residence.

10       “(6) ‘First-time home buyer savings account’ or ‘account’ means  
11       an account with a financial institution that an account holder desig-  
12       nates as a first-time home buyer savings account on the account  
13       holder’s Oregon income tax return for the purpose of paying or reim-  
14       bursing eligible costs for the purchase of a single family residence in  
15       this state by the account holder.

16       “(7) ‘Resident of this state’ has the meaning given that term in ORS  
17       316.027.

18       “(8) ‘Settlement statement’ means the statement of receipts and  
19       disbursements for a transaction related to real estate, including a  
20       statement prescribed under the Real Estate Settlement Procedures Act  
21       of 1974, 12 U.S.C. 2601 et seq., and regulations thereunder.

22       “(9) ‘Single family residence’ means a residence intended for occu-  
23       pation by a single family unit that is owned and occupied by an ac-  
24       count holder as the account holder’s principal residence. ‘Single  
25       family residence’ includes a manufactured home, residential trailer,  
26       mobile home or condominium unit.

27       “(10) ‘Taxable income’ has the meaning given that term in ORS  
28       316.022.

29       “SECTION 4. (1) An individual may create a first-time home buyer  
30       savings account with a financial institution to be used to pay or re-

1 imburse the account holder’s eligible costs related to the purchase of  
2 a single family residence.

3 “(2) An individual may jointly own a first-time home buyer savings  
4 account with another person if the joint account holders are both  
5 first-time home buyers and file a joint income tax return.

6 “(3) An individual may not be the account holder of more than one  
7 first-time home buyer savings account.

8 “(4) Only cash and marketable securities may be contributed to a  
9 first-time home buyer savings account. Subject to the limitations of  
10 section 5 (4) of this 2017 Act, persons other than the account holder  
11 may contribute funds to a first-time home buyer savings account.  
12 There is no limitation on the amount of contributions that may be  
13 made to or retained in a first-time home buyer savings account.

14 “(5) The account holder may not use funds held in a first-time home  
15 buyer savings account to pay expenses of administering the account  
16 except that a service fee may be deducted from the account by a fi-  
17 nancial institution in which the account is held.

18 “(6) An account holder may withdraw all or part of the funds from  
19 a first-time home buyer savings account and deposit the funds in a  
20 new first-time home buyer savings account held by a different finan-  
21 cial institution or the same financial institution.

22 “SECTION 5. (1) Subject to section 7 of this 2017 Act, and in addi-  
23 tion to the other modifications to federal taxable income contained in  
24 ORS chapter 316, there shall be subtracted from federal taxable income  
25 the amount of funds contributed to an account holder’s first-time  
26 home buyer savings account established under sections 2 to 11 of this  
27 2017 Act during the tax year, not to exceed \$5,000 for an account holder  
28 who files an individual tax return or \$10,000 for joint account holders  
29 who file a joint tax return.

30 “(2)(a) Funds contributed to a first-time home buyer savings ac-

1 count, and earnings, including interest and other income, on the  
2 principal in the account, during the tax year are exempt from taxation  
3 until withdrawn by the taxpayer, subject to subsection (3) of this sec-  
4 tion.

5 “(b) Moneys withdrawn by the account holder from a first-time  
6 home buyer savings account to pay or reimburse that account holder’s  
7 eligible costs related to purchase of a single family residence are ex-  
8 empt from taxation under ORS chapter 316. A withdrawal by an ac-  
9 count holder for a purpose other than paying or reimbursing for  
10 eligible costs related to the purchase of a single family residence is  
11 taxable under ORS chapter 316.

12 “(3) An account holder may claim the subtraction and exemption  
13 under subsections (1) and (2) of this section:

14 “(a) For a period not to exceed 10 years;

15 “(b) For an aggregate total amount of principal and earnings not  
16 to exceed \$50,000 during the 10-year period; and

17 “(c) Only if the principal and interest of the account remain in the  
18 account until a withdrawal is made for eligible costs related to the  
19 purchase of a single family residence by the account holder except as  
20 provided in section 4 (6) of this 2017 Act.

21 “(4) A person other than the account holder who deposits funds in  
22 a first-time home buyer savings account is not entitled to the ex-  
23 emption and subtraction provided for in this section.

24 “(5) Any funds in a first-time home buyer savings account not ex-  
25 pended on paying or reimbursing eligible costs for the purchase of a  
26 single family residence by December 31 of the last year of the 10-year  
27 period under subsection (3) of this section shall thereafter be included  
28 in the account holder’s taxable income.

29 **“SECTION 6. Section 7 of this 2017 Act is added to and made a part**  
30 **of ORS chapter 316.**

1       **“SECTION 7. (1) The limits applicable to a subtraction from federal**  
2 **taxable income and an exemption allowed under section 5 of this 2017**  
3 **Act are:**

4       **“(a) \$10,000 if reported on a joint tax return, or \$5,000 for all others,**  
5 **if the federal adjusted gross income of the taxpayer for the tax year,**  
6 **less any outstanding student loan debt, is less than \$200,000, or, if re-**  
7 **ported on other than a joint return, less than \$100,000.**

8       **“(b) \$8,000 if reported on a joint tax return, or \$4,000 for all others,**  
9 **if the federal adjusted gross income of the taxpayer for the tax year,**  
10 **less any outstanding student loan debt, is \$200,000 or more and less**  
11 **than \$210,000, or, if reported on other than a joint return, \$100,000 or**  
12 **more and less than \$105,000.**

13       **“(c) \$6,000 if reported on a joint tax return, or \$3,000 for all others,**  
14 **if the federal adjusted gross income of the taxpayer for the tax year,**  
15 **less any outstanding student loan debt, is \$210,000 or more and less**  
16 **than \$220,000, or, if reported on other than a joint return, \$105,000 or**  
17 **more and less than \$110,000.**

18       **“(d) \$4,000 if reported on a joint tax return, or \$2,000 for all others,**  
19 **if the federal adjusted gross income of the taxpayer for the tax year,**  
20 **less any outstanding student loan debt, is \$220,000 or more and less**  
21 **than \$230,000, or, if reported on other than a joint return, \$110,000 or**  
22 **more and less than \$115,000.**

23       **“(e) \$2,000 if reported on a joint tax return, or \$1,000 for all others,**  
24 **if the federal adjusted gross income of the taxpayer for the tax year,**  
25 **less any outstanding student loan debt, is \$230,000 or more and less**  
26 **than \$250,000, or, if reported on other than a joint return, \$115,000 or**  
27 **more and less than \$125,000.**

28       **“(2) If the federal adjusted gross income of the taxpayer is \$250,000**  
29 **or more for the tax year if reported on a joint return, or \$125,000 or**  
30 **more if reported on other than a joint return, less any outstanding**

1 student loan debt, the limit is zero and the taxpayer is not allowed a  
2 subtraction or exemption for federal income taxes under section 5 of  
3 this 2017 Act.

4 **“SECTION 8. If an account holder withdraws funds from a first-  
5 time home buyer savings account for a purpose other than paying or  
6 reimbursing an account holder for eligible costs related to the pur-  
7 chase of a single family residence:**

8 **“(1) The withdrawn funds must be included in the account holder’s  
9 taxable income; and**

10 **“(2) The account holder shall pay a penalty to the Department of  
11 Revenue equal to 10 percent of the amount withdrawn. The penalty  
12 does not apply to funds withdrawn from an account that were:**

13 **“(a) Withdrawn by reason of the account holder’s death or disabil-  
14 ity;**

15 **“(b) A disbursement of assets of the account pursuant to a filing  
16 for protection under the United States Bankruptcy Code, 11 U.S.C. 101  
17 et seq.; or**

18 **“(c) Transferred from an account into another account established  
19 in accordance with section 4 (6) of this 2017 Act.**

20 **“SECTION 9. The Department of Revenue shall create a means for  
21 designating the subtraction to which an account holder is entitled  
22 under sections 5 and 7 of this 2017 Act in the individual state income  
23 tax return form required to be filed under ORS chapter 316.**

24 **“SECTION 10. (1) On or before January 31 of each year, a financial  
25 institution at which a first-time home buyer savings account has been  
26 created shall provide to an account holder who has created a first-time  
27 home buyer savings account at the financial institution a certificate  
28 containing the following information:**

29 **“(a) The date when the account was created;**

30 **“(b) The name of the account holder;**

1       “(c) The amount of funds contributed to the account during the tax  
2 year;

3       “(d) The amount of funds withdrawn from the account during the  
4 tax year; and

5       “(e) Any other information as required by rules adopted by the De-  
6 partment of Revenue.

7       “(2) A financial institution is not required to:

8       “(a) Track the use of money withdrawn from a first-time home  
9 buyer savings account; or

10       “(b) Allocate funds in a first-time home buyer savings account  
11 among joint account holders.

12       “(3) A financial institution is not responsible or liable for:

13       “(a) Determining or ensuring that an account satisfies the require-  
14 ments to be a first-time home buyer savings account;

15       “(b) Determining or ensuring that funds in a first-time home buyer  
16 savings account are used for eligible costs; or

17       “(c) Reporting or remitting taxes or penalties related to the use of  
18 a first-time home buyer savings account.

19       “(4) Upon being furnished proof of the death of the account holder  
20 and such other information required by the contract governing the  
21 first-time home buyer savings account, a financial institution shall  
22 distribute the principal and accumulated interest or other income in  
23 the first-time home buyer savings account in accordance with the  
24 terms of the contract governing the account.

25       “SECTION 11. The Department of Revenue may adopt rules to im-  
26 plement and maintain the Oregon First-Time Home Buyer Savings  
27 Account Act.

28       “SECTION 12. Sections 1 to 11 of this 2017 Act apply to tax years  
29 beginning on or after January 1, 2018, and before January 1, 2024.

30       “SECTION 13. This 2017 Act takes effect on the 91st day after the

1 **date on which the 2017 regular session of the Seventy-ninth Legislative**  
2 **Assembly adjourns sine die.”**

3 \_\_\_\_\_