

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
79th Oregon Legislative Assembly
2018 Regular Session
Legislative Revenue Office

Bill Number:	HB 4080 - A
Revenue Area:	Income Tax
Economist:	Kyle Easton
Date:	2/27/2018

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

Measure Description:

For purposes of ABLE accounts, updates connection date to Internal Revenue Code from December 31, 2015 to December 31, 2017.

Requires taxpayer, that makes a withdrawal from a 529 savings network account to pay expenses in connection with enrollment or attendance at an elementary or secondary school, to add for Oregon income tax purposes to federal taxable income: amount of withdrawal that is attributable to contributions that were subtracted from federal taxable income along with previously untaxed earnings and gains.

Revenue Impact (in \$Millions): Minimal

Impact Explanation:

The updated connection date relating to ABLE accounts is expected to have a minimal impact on revenue.

Estimated impact associated with Oregon addition to federal taxable income following a withdrawal from a 529 savings network account to pay expenses in connection with enrollment or attendance at an elementary or secondary school is estimated to be minimal. The income addition effectively requires a taxpayer to add back Oregon tax benefit associated with withdrawn funds. For this reason, there is little expectation that funds will be regularly withdrawn from 529 accounts for elementary or secondary school use.

Creates, Extends, or Expands Tax Expenditure: Yes No