

HB 3349 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

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Sub-Referral To: House Committee On Revenue

Meeting Dates: 3/11, 3/20, 3/25

WHAT THE MEASURE DOES:

Disallows, for purposes of personal income taxation, mortgage interest deduction for residence other than taxpayer's principal residence. Phases out allowable deduction for interest for principal residence based on taxpayer's federally adjusted gross income. Disallows deduction for principal residence above threshold amount. Directs Department of Revenue to transfer amounts equal to the estimated increase in revenue attributable to restrictions on the deduction of mortgage interest to accounts in the Oregon Housing Fund beginning July 1, 2020. Applies to tax years beginning on or after January 1, 2019. Takes effect on 91st day following adjournment sine die.

Revenue Impact Issued

Fiscal Impact Issued

ISSUES DISCUSSED:

- Income levels of families that benefit from housing government subsidies
- Benefits of home ownership
- Number of students who experience homelessness

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon Department of Revenue regulations allow certain modifications or subtractions from federal taxable income for Oregon income tax filers. Examples of these modifications and subtractions include amounts such as interest dividends, foreign income taxes, and medical expenses of elderly individuals.

House Bill 3349 disallows specified mortgage interest deductions from Oregon personal income taxation.

Subsequent referral to Revenue Committee