



Please Support SB 212

Senate Bill 212 returns to families in Oregon a tuition and fees tax benefit that has not been renewed in federal tax reforms.

Historically, a federal deduction to income was allowed for qualified higher education expenses paid by the taxpayer. Qualified expenses include tuition and fees paid as a condition of enrollment or attendance at a post-secondary education institution. The federal adjustment was applicable to Oregon families through the state's connection to federal taxable income. But, the federal deduction ended – it was last available in tax year 2017.

The Oregon tuition and fees subtraction created by SB 212 will help provide the much needed assistance. The amount is determined following identical parameters to how the federal deduction was determined for tax year 2017. The potential maximum federal deduction was \$4,000 for a taxpayer with income not more than \$65,000 or \$2,000 if the taxpayer's income was above \$65,000 but not more than \$80,000. Following determination of tuition and fees amount in-line with the federal parameters that were in effect for tax year 2017, the Oregon subtraction is then determined by multiplying computed amount by 0.23.

The 2016 College Affordability Diagnosis (published by the Institute for Research on Higher Education at the University of Pennsylvania) showed that in Oregon parents would need to contribute more than 30% of their annual income to college costs if they wanted their child to graduate debt-free. For low- and middle-income parents, the cost burden is often much higher.

According to Oregon's Higher Education Coordinating Commission's 2016-17 Statewide Snapshot, 51% of students were unable to meet expenses with expected resources including family contributions, student earnings, and grant aid.

We ask you to help Oregon families and pass SB 212.

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