

# House Bill 3207

Sponsored by Representatives ZIKA, RESCHKE; Representative WILLIAMS

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates income tax subtraction for qualifying sales of single-family or multifamily housing.  
Applies to tax years beginning on or after January 1, 2020, and before January 1, 2026.  
Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to an income tax subtraction for the development of properties to be used for affordable  
3 housing; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 316.**

6 **SECTION 2. (1) As used in this section:**

7 (a) "Multifamily housing" has the meaning given that term in ORS 456.515.

8 (b) "Qualifying sale" means:

9 (A) The sale of a new single-family dwelling at or below 140 percent of the area median  
10 home price; or

11 (B) The sale of a single-family dwelling or multifamily housing to a purchaser that enters  
12 into a recorded affordability restriction agreement governing the use of the property that:

13 (i) Has a duration of at least 10 years; and

14 (ii) Requires rental rates for the housing to be affordable, under federal rental  
15 affordability standards, to households earning at or below 140 percent of the area median  
16 income.

17 (c) "Urban reserve" has the meaning given that term in ORS 195.137.

18 (2) In computing Oregon taxable income for the purposes of this chapter, there shall be  
19 subtracted from federal taxable income the gain realized by a taxpayer from the qualifying  
20 sale of property during the tax year if the property:

21 (a) Is sited on no more than \_\_\_\_\_ acres within an urban growth boundary or an urban  
22 reserve;

23 (b) Is a new single-family residence or new multifamily housing; and

24 (c) Did not contain a structure suitable for housing or commercial purposes at the time  
25 it was acquired by the seller.

26 (3) The taxpayer shall provide proof of eligibility for the subtraction allowed under this  
27 section in a form prescribed by the Department of Revenue.

28 (4) The department shall adopt rules for the purposes of this section.

29 **SECTION 3. Section 4 of this 2019 Act is added to and made a part of ORS chapter 317.**

30 **SECTION 4. (1) As used in this section:**

31 (a) "Multifamily housing" has the meaning given that term in ORS 456.515.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

- 1       **(b) “Qualifying sale” means:**
  - 2       **(A) The sale of a new single-family dwelling at or below 140 percent of the area median**
  - 3 **home price; or**
  - 4       **(B) The sale of a single-family dwelling or multifamily housing to a purchaser that enters**
  - 5 **into a recorded affordability restriction agreement governing the use of the property that:**
  - 6       **(i) Has a duration of at least 10 years; and**
  - 7       **(ii) Requires rental rates for the housing to be affordable, under federal rental**
  - 8 **affordability standards, to households earning at or below 140 percent of the area median**
  - 9 **income.**
  - 10       **(c) “Urban reserve” has the meaning given that term in ORS 195.137.**
  - 11       **(2) In computing Oregon taxable income for the purposes of this chapter, there shall be**
  - 12 **subtracted from federal taxable income the gain realized by a taxpayer from the qualifying**
  - 13 **sale of property during the tax year if the property:**
  - 14       **(a) Is sited on no more than \_\_\_\_\_ acres within an urban growth boundary or an urban**
  - 15 **reserve;**
  - 16       **(b) Is a new single-family residence or new multifamily housing; and**
  - 17       **(c) Did not contain a structure suitable for housing or commercial purposes at the time**
  - 18 **it was acquired by the seller.**
  - 19       **(3) The taxpayer shall provide proof of eligibility for the subtraction allowed under this**
  - 20 **section in a form prescribed by the Department of Revenue.**
  - 21       **(4) The department shall adopt rules for the purposes of this section.**
  - 22       **SECTION 5. Sections 2 and 4 of this 2019 Act apply to tax years beginning on or after**
  - 23 **January 1, 2020, and before January 1, 2026.**
  - 24       **SECTION 6. This 2019 Act takes effect on the 91st day after the date on which the 2019**
  - 25 **regular session of the Eightieth Legislative Assembly adjourns sine die.**
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