

D R A F T

SUMMARY

Digest: The Act extends date by which one must open first-time home buyer savings account in order to claim tax benefits. (Flesch Readability Score: 63.8).

Extends the date by which an account holder must open a first-time home buyer savings account in order to claim a subtraction for contributed funds or an exemption for earnings. Extends the sunset for the use of the subtraction and exemption.

A BILL FOR AN ACT

1
2 Relating to first-time home buyer savings accounts; amending ORS 316.798
3 and section 9, chapter 109, Oregon Laws 2018.

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

5 **SECTION 1.** ORS 316.798 is amended to read:

6 316.798. (1) Subject to ORS 316.800, and in addition to the other modifi-
7 cations to federal taxable income contained in this chapter, there shall be
8 subtracted from federal taxable income the amount of funds contributed by
9 an account holder to the account holder's first-time home buyer savings ac-
10 count during the tax year, not to exceed \$5,000 for an account holder who
11 files an individual income tax return or \$10,000 for joint account holders who
12 file a joint income tax return.

13 (2) Earnings, including interest and other income, on the principal in the
14 account during the tax year are exempt from taxation until withdrawn by
15 the taxpayer, subject to subsection (3) of this section.

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

18 (a) For contributions made into a first-time home buyer savings account

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 opened before January 1, [2027] **2032**;

2 (b) For a period not to exceed 10 years from the date the account holder
3 first opens any first-time home buyer savings account; and

4 (c) For an aggregate total amount of principal and earnings not to exceed
5 \$50,000 during the 10-year period.

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

9 **SECTION 2.** Section 9, chapter 109, Oregon Laws 2018, is amended to
10 read:

11 **Sec. 9.** [*Sections 2 to 8 of this 2018 Act*] **ORS 316.796 to 316.803** apply to
12 tax years beginning on or after January 1, 2019, and before January 1,
13 [2037] **2042**.

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