

HB 3032 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

Prepared By: Claire Adamsick, LPRO Analyst

Sub-Referral To: Joint Committee On Tax Expenditures

Meeting Dates: 1/24

WHAT THE MEASURE DOES:

Establishes personal income tax subtraction for rent received for a room in taxpayer's principal residence. Clarifies taxpayer is eligible for the subtraction only if the same individual pays for and occupies a rented room in taxpayer's principal residence for at least three consecutive calendar months during tax year, and if monthly rent charged does not exceed \$1,000 per rented room. Restricts subtraction to no more than \$12,000 per room rented per tax year. Applies to tax years beginning on or after January 1, 2024 and before January 1, 2030. Takes effect on the 91st day following adjournment sine die.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon Residential Landlord and Tenant law does not define home sharing agreements, but includes "roomers" as a person occupying a dwelling unit that does not include bathroom or kitchen facilities, and where one or more of these facilities are used in common by occupants in the structure.

The U.S. Department of Housing and Urban Development considers households as cost-burdened when when they spend more than 30% of their income on rent, mortgage and other housing needs. According to the Census Bureau's American Community Survey, renter households in 16 of Oregon's 36 counties were cost-burdened.

House Bill 3032 establishes a personal income tax subtraction for taxpayers who rent one or more rooms in the taxpayer's principal residence, provided that the same individual rents a room in the taxpayer's residence for at least three months, and the monthly rent per room does not exceed \$1,000. The measure restricts the subtraction to no more than \$12,000 per room rented per tax year, and applies to tax years beginning on or after January 1, 2024 and before January 1, 2030.