



SB 1527 First-Time Home Buyer Savings Accounts

Senate Committee on Finance and Revenue – John Calhoun – 2.6.2024

My name is John Calhoun and I am representing Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

SB 1527 modifies the program to allow taxpayers to set up a savings account for a beneficiary. Typically, this would be a parent or grandparent setting up an account for an adult child. We are not clear on the value of doing this. Today parents could gift a child funds for the child to put in their own first-time home buyer savings account. The child, not the parents, would get the income reduction. If the purpose is to provide equity to the prospective home buyer this makes sense.

I hope that I am interpreting the bill correctly and if so, we are concerned that allowing other people to set up savings accounts could result in multiple accounts for the same beneficiary; parents, grandparents, and the prospective homeowner(s). This would violate the original \$50,000 limit on income reductions. There should be an amendment limiting first-time home buyer savings accounts to one account per beneficiary.

We realize that the current program is underutilized. Clearly this is because so few are aware of these accounts. My own daughter bought her first house last year and I was unaware of the program. It might be more effective to consider ways to expand marketing of this program than to change it.

We read the bills and follow the money