



SB 852 – Support

April 1, 2021

Chair Jama, Vice-Chair Linthicum and Members of the Committee

The Oregon Women's Rights Coalition has been advocating for women and families since the early 1970's. Originally formed as an advocacy group for the Equal Rights Amendment. Over the years our advocacy has broadened to include equitable and progressive tax treatment, including limiting tax expenditures that add to income and resource inequality.

Senate Bill 852 is a sensible approach to funding the Oregon Housing and Opportunity Account while increasing progressivity in Oregonians' tax treatment.

It is simple. Limit mortgage interest deductions to those of a principal residence and cap the household income for those having a full or partial deduction at \$250,000.

To compute the partial deduction which starts at Adjusted Gross Income (AGI) at \$200,000. The amount over \$200,000 is divided by \$50,000 which then becomes the percentage of the interest that can be claimed.

Examples: $\$240,000 - \$200,000 = \$40,000 / 50,000 = 0.8 \times \$4000 = \$3200$ Interest $\$4000 - \$3200 = \$800$ deduction

$\$225,000 - \$200,000 = \$25,000 / 50,000 = 0.5 \times \$4000 = \$2000$ Interest $\$4000 - \$2000 = \$2000$ deduction

$\$210,000 - \$200,000 = \$10,000 / 50,000 = 0.2 \times \$4000 = \$800$ Interest $\$4000 - \$800 = \$3200$ deduction.

The Department of Revenue's figures of tax filings for 2018 (the most recent year with all returns) there were a little more than 1.8 million returns filed in Oregon for full year residents. Of those about \$60,000 would hit the income cap of \$250,000. There would be an unknown number who would be over \$200,000 but under \$250,000. There were about 91,000 in the top 5% income filing full year resident taxes.

The Tax Expenditure Report for 2021/2023 breaks the income level at \$100,000 and above which indicates there was no evaluation of the deduction. A finer breakdown of filers using at

the \$200,000 and \$250,000 and above level by the department would be more indicative of where the major benefit occurs.

Oregon, as does much of the United States, has a long record of marginalizing people of color, ethnic groups and our native peoples. To provide resources for more housing options for Oregonians would be a welcome outcome with the passage of this bill.

Marcia Kelley

Public Policy Advocacy

Email: owrcadvocacy@gmail.com

OWRC, PO BOX 3025, Portland, OR 97209