

Submitter: Robert Waterhouse

On Behalf Of:

Committee: House Committee On Revenue

Measure, Appointment or Topic: HB4136

I support the portion of this bill that disallows mortgage interest deductions for second residences. The deductibility of mortgage interest on second homes is a regressive distortion of both Oregon's tax code and its housing market. The main beneficiaries of the deduction are wealthier Oregonians, while their ownership of second homes removes those homes from the market at a time when Oregon is facing a housing crisis. I am less supportive of the plan to use the funds derived to subsidize down payments for first time home buyers. I am afraid this will introduce new and unpredictable distortions to an already stressed housing market.