



SB 976: Essential Reforms to the Mortgage Interest Deduction

Senate Committee on Housing and Development – Eileen Kiely – 4-19-2022

My name is Eileen Kiely, I am a resident of Deschutes County, and I am here today as a volunteer for Tax Fairness Oregon, a network of volunteers who support a rational and equitable tax code. You are no doubt aware that like much of Oregon, Deschutes County is in a housing crisis. The median price of a home for sale is not affordable by the families who make the median income in Deschutes County. The majority of our neighbors who rent are significantly rent burdened. Too many of our available jobs are low wage, hourly and seasonal, and too many of those workers are unhoused for at least part of the year.

I live in Sunriver, and I am surrounded at this very minute by empty homes. Many of these empty homes are subsidized by Oregon Taxpayers, through the Mortgage Interest Deduction.

Despite the housing programs the legislature has passed to support affordable housing, the largest housing subsidy program in Oregon remains the Mortgage Interest Deduction, and it is a benefit that mostly accrues to the top 20% of households by income.

As a corporate controller for Daimler Trucks North America, the first point of spending control we exercised was to scrutinize the revenue we did not collect, through discounts and concessions. As you all know, tax credits and deductions are government spending, and they deserve our scrutiny to ensure we are spending wisely.

The housing investments Oregon makes on behalf of taxpayers should accrue to the economic health of Oregon, not to a select few.

Oregon taxpayers should not be forced to subsidize vacation homes, or Jumbo loans for outsized luxury homes. Oregonians desperately need affordable options for rentals and homeownership. By investing this money in the Oregon Housing Opportunity Account instead, we are investing in housing stability for our neighbors who are struggling.

In order for Oregon to thrive economically, Oregonians must be able to meet their basic needs. And the most basic of needs is a roof over our heads.

The Mortgage Interest Deduction is a government subsidy for those who already have a home, and primarily subsidizes people who do not need housing assistance. We have scarce resources to support Oregon's housing needs. We can continue the status quo and support the already housed, or we can choose a new path, and support affordable housing.

Please choose to support the working people of Oregon by passing SB 976.