

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: HB 3349 - 4

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Disallows, for purposes of personal income taxation, mortgage interest deduction for residence other than taxpayer's principal residence.

Government Unit(s) Affected:

Housing and Community Services Department (HCSD), Department of Revenue (DOR)

Analysis:

This fiscal impact statement is submitted to transmit the measure from the House Committee on Human Services and Housing to the House Committee on Revenue.

The measure would disallow, for purposes of income taxation, the mortgage interest deduction for any residence other than a taxpayer’s principal residence. It would phase out the allowable deduction for interest for the principal residence, based on the taxpayer’s federal adjusted gross income. It would disallow the deduction for a taxpayer’s principal residence above threshold amount. The deduction for interest paid on a qualified residence, or accrued on indebtedness with respect to a qualified residence other than the taxpayer’s principal residence, would be included in the taxpayer’s itemized deduction in certain circumstances. The measure would also transfer an amount equal to the estimated increase in revenue attributable to restrictions on the mortgage interest deduction to accounts in the Oregon Housing Fund, which could then be utilized by the Housing and Community Services Department for emergency housing and affordable housing financing. The measure would apply to tax years beginning on or after January 1, 2019 and would take effect 91 days after the Legislative Assembly adjourns *sine die*.

The measure is anticipated to have an impact on the Housing and Community Services Department and the Department of Revenue.

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the House Committee on Revenue.

Further Analysis Required