

**HB 2771 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Christine Broniak, Economist

**Meeting Dates:** 3/7

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**WHAT THE MEASURE DOES:**

Phases out allowance of itemized deduction for real property taxes, based on income. Provides for a phase out between \$50,000 and \$125,000 for single taxpayers and between \$100,000 and \$250,000 for joint taxpayers.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

**BACKGROUND:**

When itemized deductions exceed the standard deduction, Oregon taxpayers have the option to itemize deductions. An itemized deduction is largely based on the federal Schedule A deduction. The property tax amount is part of a group of itemized deductions that are limited on the Schedule A. Itemized deductions are reduced by the smaller of: 80 percent of itemized deductions that are subject to the limit or 3% of the amount by which the AGI exceeds \$311,300 if married filing jointly and \$259,400 if single.