



HB 2811 Exemption from taxes for sale of real property to housing authorities

Testimony for House Revenue – John Calhoun – 3.4.2019

The goal of HB 2811 is to lower the cost of acquiring existing multifamily rental properties by housing authorities or community development corporations. Rather than building new rental units, it is often more practical for public housing entities to acquire existing properties.

However, this bill is another attempt to use the tax system to fund a need that should be fulfilled by the use of general fund dollars and so Tax Fairness Oregon opposes this bill, although we support the mission of the bill's sponsors. If the seller of the property has to pay the full tax load then there are more funds available to the legislature to allocate for all social needs including housing.

We are concerned that there are no provisions in the bill to prevent the gains from the tax exemption on the sale of the property going wholly or partially to the seller and not to the housing authority. We are also aware that some sellers of property to non-profits or public entities file as a charitable donation any sale lower than a generously defined market price. There are no provisions in this bill that would prevent double dipping from our state treasury.

We read the bills and follow the money