



## Proposal: Education Savings Credit



**What is the Oregon College Savings Plan?** A state-sponsored savings program that grows tax-free and can be used for qualified expenses like tuition, books, and room and board at any accredited, post-secondary institution.



**Save Now. Borrow Less Later.** The cost of post-secondary education continues to rise and so does student debt. Oregon State Treasury is committed to ensuring Oregon families have the tools they need to mitigate that cost. We want compound interest to help Oregonians increase their savings prior to pursuing post-secondary education, instead of increasing the size of their debt when they are just getting started in a new career.

*Example:  
A \$500 annual investment + compound interest  
leads to an estimated \$18,000 after 18 years.  
Rates of return vary with the market.*

### TOTAL SAVINGS



**Encouraging Participation.** Our Savings Plan should work for all Oregonians. To better reach diverse communities across the state and the entire income spectrum, the Oregon State Treasury is proposing the Education Savings Credit to replace the current state tax deduction.

The proposed tiered, refundable tax credit seeks to balance two objectives:

- (1) Providing sufficient tax incentive to maintain accounts in Oregon, thereby preserving the Plan's assets under management and keeping fees low; while
- (2) Encouraging more low- and moderate-income Oregonians to open accounts and save.