

SB 790 STAFF MEASURE SUMMARY

Senate Committee On Human Services

Action Date: 03/19/19

Action: Do pass and refer to Tax Expenditures by prior reference.

Vote: 4-0-1-0

Yeas: 4 - Fagan, Gelser, Knopp, Monnes Anderson

Exc: 1 - Heard

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 3/19

WHAT THE MEASURE DOES:

Increases amount of tax credit that taxpayer may receive from 70 to 100 percent of donation to fiduciary organization for distribution to individual development accounts (IDAs). Increases total amount of available tax credits from \$7.5 to \$15 million in any tax year. Applies to tax years beginning on or after January 1, 2019, and before January 1, 2022. Updates and makes technical corrections to statutes governing IDAs to conform with current federal policy as well as current standards and practices. Takes effect 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

- Provisions of the measure
- Purpose of caps on tax credits
- Referral to another committee

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Investment Account Initiative was created in 1999. It aims to alleviate poverty by matching funds in savings accounts, called individual development accounts (IDAs), with funds drawn from various private resources. To qualify for an individual development account and participate in the initiative, an applicant's household must fit within the definition of "lower income." Oregon Housing and Community Services and the Department of Revenue provide oversight.

Senate Bill 790 increases the amount of the tax credit up to 100 percent of a taxpayer's donation to fiduciary organizations for distribution to IDAs and raises the total amount available for tax credits to \$15 million.