

HOUSE AMENDMENTS TO HOUSE BILL 2551

By COMMITTEE ON HUMAN SERVICES

April 9

1 On page 1 of the printed bill, line 2, after “accounts;” delete the rest of the line and delete line
2 3 and insert “amending ORS 315.271, 315.650, 316.699, 458.670, 458.675, 458.680, 458.685, 458.690 and
3 458.700 and section 9, chapter 765, Oregon Laws 2007.”.

4 Delete lines 5 through 17 and insert:

5 “**SECTION 1.** ORS 315.271 is amended to read:

6 “315.271. (1) A credit against taxes otherwise due under ORS chapter 316, 317 or 318 shall be
7 allowed for donations to a fiduciary organization for distribution to individual development accounts
8 established under ORS 458.685. The credit shall equal a percentage of the taxpayer’s donation
9 amount, as determined by the fiduciary organization, but not to exceed 90 percent of any donation
10 amount. **A credit may be claimed for a donation made not later than April 15 following De-**
11 **cember 31 of the tax year for which the credit is allowed.** To qualify for a credit under this
12 section, donations to a fiduciary organization must be made prior to [*January 1, 2022*] **April 15,**
13 **2028.**

14 “(2) If a credit allowed under this section is claimed, the amount upon which the credit is based
15 that is allowed or allowable as a deduction from federal taxable income under section 170 of the
16 Internal Revenue Code shall be added to federal taxable income in determining Oregon taxable in-
17 come. As used in this subsection, the amount upon which a credit is based is the allowed credit di-
18 vided by the applicable percentage, as determined by the fiduciary organization.

19 “(3) The allowable tax credit that may be used in any one tax year shall not exceed the tax li-
20 ability of the taxpayer.

21 “(4) Any tax credit otherwise allowable under this section that is not used by the taxpayer in
22 a particular year may be carried forward and offset against the taxpayer’s tax liability for the next
23 succeeding tax year. Any tax credit remaining unused in the next succeeding tax year may be car-
24 ried forward and used in the second succeeding tax year. Any tax credit not used in the second
25 succeeding tax year may be carried forward and used in the third succeeding tax year, but may not
26 be carried forward for any tax year thereafter.

27 “(5) The total credits allowed to all taxpayers in any tax year under this section and ORS
28 458.690 may not exceed \$7.5 million. The total credit allowed to a taxpayer in any tax year under
29 this section and ORS 458.690 may not exceed \$500,000.

30 “**SECTION 2.** Section 9, chapter 765, Oregon Laws 2007, as amended by section 7, chapter 701,
31 Oregon Laws 2015, is amended to read:

32 “**Sec. 9.** A credit may not be claimed under ORS 315.271 and 458.690 for tax years beginning
33 on or after January 1, [*2022*] **2028.**”.

34 On page 5, delete lines 31 through 45 and delete page 6.

35 On page 7, delete lines 1 through 27 and insert:

1 “**SECTION 7.** ORS 458.690 is amended to read:

2 “458.690. (1) [*Notwithstanding ORS 315.271,*] A fiduciary organization selected under ORS
3 458.695 may qualify as the recipient of account contributions that qualify the contributor for a tax
4 credit under ORS 315.271 only if [*the fiduciary organization structures the accounts to have the fol-*
5 *lowing features:*]

6 “[(a)] the fiduciary organization matches amounts deposited by the account holder according to
7 a formula established by the fiduciary organization[. *The fiduciary organization shall maintain on*
8 *deposit in the account*] **of** not less than \$1 nor more than \$5 for each \$1 deposited by the account
9 holder.

10 “[(b) *The matching deposits by the fiduciary organization to the individual development account*
11 *are placed in:*]

12 “[(A) *A savings account jointly held by the account holder and the fiduciary organization and re-*
13 *quiring the signatures of both for withdrawals;*]

14 “[(B) *A savings*] **The matching funds must be deposited into a designated** account that is
15 controlled by the fiduciary organization and is separate from the savings account of the account
16 holder[; or].

17 “[(C) *In the case of an account established for the purpose described in ORS 458.685 (1)(c), a*
18 *savings network account for higher education under ORS 178.300 to 178.360, in which the fiduciary*
19 *organization is the account owner as defined in ORS 178.300.*]

20 “(2) Account holders may not accrue more than [~~[\$3,000]~~ **\$6,000**] of matching funds under sub-
21 section (1) of this section from state-directed moneys in any 12-month period. A fiduciary organiza-
22 tion may designate a lower amount as a limit on annual matching funds. A fiduciary organization
23 shall maintain on deposit sufficient funds to cover the matching deposit agreements for all individual
24 development accounts managed by the organization.

25 “(3) The Housing and Community Services Department shall adopt rules to establish a maximum
26 total amount of state-directed moneys that may be deposited as matching funds into an individual
27 development account.

28 “(4) The Housing and Community Services Department shall provide information to the Depart-
29 ment of Revenue about all individual development account contributors that are qualified for a tax
30 credit under ORS 315.271, if required by ORS 315.058.

31 “**SECTION 8.** ORS 458.700 is amended to read:

32 “458.700. (1) Subject to Housing and Community Services Department rules, a fiduciary organ-
33 ization has sole authority over, and responsibility for, the administration of individual development
34 accounts. The responsibility of the fiduciary organization extends to all aspects of the account pro-
35 gram, including marketing to participants, soliciting **additional** matching contributions, counseling
36 account holders, providing financial literacy education, and conducting required verification and
37 compliances activities. The fiduciary organization may establish program provisions as the organ-
38 ization believes necessary to ensure account holder compliance with the provisions of ORS 458.680
39 and 458.685. [*Notwithstanding ORS 458.670 (5) and 458.680 (2),*] A fiduciary organization may estab-
40 lish income and net worth limitations for account holders that are lower than the income and net
41 worth limitations established by ORS 458.670 (5) and 458.680 (2).

42 “(2) A fiduciary organization may act in partnership with other entities, including businesses,
43 government agencies, nonprofit organizations, community development corporations, community
44 action programs, housing authorities and congregations to assist in the fulfillment of fiduciary or-
45 ganization responsibilities under [*this section and ORS 458.685, 458.690 and 458.695*] **ORS 458.670**

1 **to 458.700.**

2 “(3) A fiduciary organization may use a reasonable portion of moneys allocated to the individual
3 development account program for administration, operation and evaluation purposes.

4 “(4) A fiduciary organization [*selected to administer moneys directed by the state to individual*
5 *development account purposes or receiving tax deductible contributions*] shall provide the Housing and
6 Community Services Department with an annual report of the fiduciary organization’s individual
7 development account program activity. The report [*shall*] **must** be filed no later than 90 days after
8 the end of the fiscal year of the fiduciary organization. The report [*shall*] **must** include, but is not
9 limited to:

10 “(a) The number of individual development accounts administered by the fiduciary organization;

11 “(b) The amount of deposits and matching deposits for each account;

12 “(c) The purpose of each account;

13 “(d) The number of withdrawals made; and

14 “(e) Any other information the department may require for the purpose of making a return on
15 investment analysis.

16 “[*(5) A fiduciary organization that is the account owner of a savings network account for higher*
17 *education under ORS 178.300 to 178.360:*]

18 “[*(a) May make a qualified withdrawal only at the direction of the designated beneficiary and only*
19 *after the savings network account of the account holder that was established for the designated bene-*
20 *ficiary has been reduced to a balance of zero exclusively through qualified withdrawals by the desig-*
21 *nated beneficiary; and*]

22 “[*(b) May make nonqualified withdrawals only if the savings network account of the account holder*
23 *that was established for the designated beneficiary has a balance of less than \$100 or if the account*
24 *holder or designated beneficiary has granted permission to make the withdrawal. Moneys received by*
25 *a fiduciary organization from a nonqualified withdrawal made under this paragraph must be used for*
26 *individual development account purposes.*]

27 “[*(6)*] **(5)** The department may make all reasonable and necessary rules to ensure fiduciary or-
28 ganization compliance with [*this section and ORS 458.685 and 458.695*] **ORS 458.670 to 458.700.**”.

29 In line 28, delete “10” and insert “9”.

30 On page 8, line 40, delete “11” and insert “10”.

31 On page 9, delete lines 30 through 33.