

House Bill 3385

Sponsored by Representative MOORE-GREEN

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows personal income taxpayers to subtract from taxable income amounts received from tax-exempt entity and paid toward mortgage loan in arrears, if during tax year taxpayer becomes unemployed and held position paying less than 80 percent of area median income.

Applies to payments received in tax years beginning on or after January 1, 2020, and before January 1, 2022.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to homeowners experiencing financial hardship; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Sections 2 and 3 of this 2021 Act are added to and made a part of ORS chapter 316.

SECTION 2. As used in this section and section 3 of this 2021 Act:

(1) "Mortgage loan" has the meaning given that term in ORS 86A.100.

(2) "Qualifying borrower" means a person who during the tax year:

(a) Is named as a borrower on a qualifying mortgage loan;

(b) Becomes unemployed; and

(c) Held a position paying less than 80 percent of area median income.

(3) "Qualifying mortgage loan" means a mortgage loan secured by an interest in a single-family dwelling that is occupied as the principal residence of a borrower.

SECTION 3. (1) In computing Oregon taxable income for purposes of this chapter, there shall be subtracted from federal taxable income an amount equal to payments received during the tax year by a qualifying borrower from an entity that is exempt from federal income taxes under section 501(c) of the Internal Revenue Code:

(a) For modification of a qualifying mortgage loan that is in arrears; or

(b) As payments toward principal of a qualifying mortgage loan that is in arrears.

(2) The Housing and Community Services Department shall certify taxpayers as eligible for the subtraction under this section.

SECTION 4. Sections 2 and 3 of this 2021 Act apply to payments received in tax years beginning on or after January 1, 2020, and before January 1, 2022.

SECTION 5. This 2021 Act takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.