

HB 2551-4  
(LC 2269)  
4/2/21 (RLM/ps)

Requested by Representative MEEK

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2551**

1 On page 1 of the printed bill, line 2, after “accounts;” delete the rest of  
2 the line and delete line 3 and insert “amending ORS 315.271, 315.650, 316.699,  
3 458.670, 458.675, 458.680, 458.685, 458.690, and 458.700 and section 9, chapter  
4 765, Oregon Laws 2007.”.

5 Delete lines 5 through 17 and insert:

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

7 “315.271. (1) A credit against taxes otherwise due under ORS chapter 316,  
8 317 or 318 shall be allowed for donations to a fiduciary organization for  
9 distribution to individual development accounts established under ORS  
10 458.685. The credit shall equal a percentage of the taxpayer’s donation  
11 amount, as determined by the fiduciary organization, but not to exceed 90  
12 percent of any donation amount. **A credit may be claimed for a donation**  
13 **made not later than April 15 following December 31 of the tax year for**  
14 **which the credit is allowed.** To qualify for a credit under this section,  
15 donations to a fiduciary organization must be made prior to [*January 1,*  
16 *2022*] **April 15, 2028.**

17 “(2) If a credit allowed under this section is claimed, the amount upon  
18 which the credit is based that is allowed or allowable as a deduction from  
19 federal taxable income under section 170 of the Internal Revenue Code shall  
20 be added to federal taxable income in determining Oregon taxable income.  
21 As used in this subsection, the amount upon which a credit is based is the

1 allowed credit divided by the applicable percentage, as determined by the  
2 fiduciary organization.

3 “(3) The allowable tax credit that may be used in any one tax year shall  
4 not exceed the tax liability of the taxpayer.

5 “(4) Any tax credit otherwise allowable under this section that is not used  
6 by the taxpayer in a particular year may be carried forward and offset  
7 against the taxpayer’s tax liability for the next succeeding tax year. Any tax  
8 credit remaining unused in the next succeeding tax year may be carried  
9 forward and used in the second succeeding tax year. Any tax credit not used  
10 in the second succeeding tax year may be carried forward and used in the  
11 third succeeding tax year, but may not be carried forward for any tax year  
12 thereafter.

13 “(5) The total credits allowed to all taxpayers in any tax year under this  
14 section and ORS 458.690 may not exceed \$7.5 million. The total credit al-  
15 lowed to a taxpayer in any tax year under this section and ORS 458.690 may  
16 not exceed \$500,000.

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

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

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

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

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

24 “458.690. (1) [*Notwithstanding ORS 315.271,*] A fiduciary organization se-  
25 lected under ORS 458.695 may qualify as the recipient of account contribu-  
26 tions that qualify the contributor for a tax credit under ORS 315.271 only if  
27 [*the fiduciary organization structures the accounts to have the following fea-*  
28 *tures:*]

29 “[*a*] the fiduciary organization matches amounts deposited by the ac-  
30 count holder according to a formula established by the fiduciary

1 organization[. *The fiduciary organization shall maintain on deposit in the*  
2 *account*] **of** not less than \$1 nor more than \$5 for each \$1 deposited by the  
3 account holder.

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

6 “[*(A) A savings account jointly held by the account holder and the*  
7 *fiduciary organization and requiring the signatures of both for withdrawals;*]

8 “[*(B) A savings*] **The matching funds must be deposited into a des-**  
9 **ignated** account that is controlled by the fiduciary organization and is sep-  
10 arate from the savings account of the account holder[; *or*].

11 “[*(C) In the case of an account established for the purpose described in*  
12 *ORS 458.685 (1)(c), a savings network account for higher education under ORS*  
13 *178.300 to 178.360, in which the fiduciary organization is the account owner*  
14 *as defined in ORS 178.300.*]

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

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

24 “(4) The Housing and Community Services Department shall provide in-  
25 formation to the Department of Revenue about all individual development  
26 account contributors that are qualified for a tax credit under ORS 315.271,  
27 if required by ORS 315.058.

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

29 “458.700. (1) Subject to Housing and Community Services Department  
30 rules, a fiduciary organization has sole authority over, and responsibility for,

1 the administration of individual development accounts. The responsibility of  
2 the fiduciary organization extends to all aspects of the account program,  
3 including marketing to participants, soliciting **additional** matching contri-  
4 butions, counseling account holders, providing financial literacy education,  
5 and conducting required verification and compliances activities. The  
6 fiduciary organization may establish program provisions as the organization  
7 believes necessary to ensure account holder compliance with the provisions  
8 of ORS 458.680 and 458.685. [*Notwithstanding ORS 458.670 (5) and 458.680*  
9 *(2),*] A fiduciary organization may establish income and net worth limitations  
10 for account holders that are lower than the income and net worth limitations  
11 established by ORS 458.670 (5) and 458.680 (2).

12 “(2) A fiduciary organization may act in partnership with other entities,  
13 including businesses, government agencies, nonprofit organizations, commu-  
14 nity development corporations, community action programs, housing author-  
15 ities and congregations to assist in the fulfillment of fiduciary organization  
16 responsibilities under [*this section and ORS 458.685, 458.690 and 458.695*]  
17 **ORS 458.670 to 458.700.**

18 “(3) A fiduciary organization may use a reasonable portion of moneys al-  
19 located to the individual development account program for administration,  
20 operation and evaluation purposes.

21 “(4) A fiduciary organization [*selected to administer moneys directed by the*  
22 *state to individual development account purposes or receiving tax deductible*  
23 *contributions*] shall provide the Housing and Community Services Depart-  
24 ment with an annual report of the fiduciary organization’s individual devel-  
25 opment account program activity. The report [*shall*] **must** be filed no later  
26 than 90 days after the end of the fiscal year of the fiduciary organization.  
27 The report [*shall*] **must** include, but is not limited to:

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

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

1 “(c) The purpose of each account;  
2 “(d) The number of withdrawals made; and  
3 “(e) Any other information the department may require for the purpose  
4 of making a return on investment analysis.

5 “[~~(5)~~ A fiduciary organization that is the account owner of a savings net-  
6 work account for higher education under ORS 178.300 to 178.360:]

7 “[~~(a)~~ May make a qualified withdrawal only at the direction of the desig-  
8 nated beneficiary and only after the savings network account of the account  
9 holder that was established for the designated beneficiary has been reduced to  
10 a balance of zero exclusively through qualified withdrawals by the designated  
11 beneficiary; and]

12 “[~~(b)~~ May make nonqualified withdrawals only if the savings network ac-  
13 count of the account holder that was established for the designated beneficiary  
14 has a balance of less than \$100 or if the account holder or designated benefi-  
15 ciary has granted permission to make the withdrawal. Moneys received by a  
16 fiduciary organization from a nonqualified withdrawal made under this para-  
17 graph must be used for individual development account purposes.]

18 “[~~(6)~~ **(5)** The department may make all reasonable and necessary rules to  
19 ensure fiduciary organization compliance with [~~this section and ORS 458.685~~  
20 ~~and 458.695~~] **ORS 458.670 to 458.700.**”.

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

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

23 On page 9, delete lines 30 through 33.

24