

May 3, 2021



## Oregon Progressive Party Independent Party of Oregon

### Position on Bills at 2021 Session of Oregon Legislature:

Dear Committee: **SB 852: Support**

The Independent Party of Oregon and Oregon Progressive Party support this bill, which would:

- Prohibit deduction of mortgage interest from personal income tax liability for residences other than principal residences, with certain exceptions.
- Limit or prohibit deduction of mortgage interest for principal residences based on federal adjusted gross income.
- Create Oregon Housing Opportunity Account for Oregon Housing and Community Services (OHCS) to support affordable homeownership and prevent homelessness.
- Fund account with revenue attributable to limits on mortgage interest deduction.

The mortgage interest deduction on other-than-principal residences is a very large tax loophole that benefits the wealthy. Those who cannot afford a second home also have costs for which they borrow money, but they are not allowed to deduct interest on those loans from their income for tax purposes. The mortgage interest deduction drives up the price of housing for the middle class, because enables the wealthy to spend more to acquire houses, since it reduced their net cost of ownership.

### Oregon Progressive Party

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