

HB 2653 A STAFF MEASURE SUMMARY

Joint Committee On Tax Expenditures

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Meeting Dates: 4/7

WHAT THE MEASURE DOES:

Creates personal and corporate income tax credit available to taxpayers selling publicly supported housing to purchaser that enters into recorded affordability restriction agreement for a period of at least 30 years. Specifies affordability restriction as extension of existing affordability restrictions of property or requiring rental rates affordable to households earning 80 percent of the area median income. Specifies credit amount equal to 2.5 percent of lesser of sale price or property appraisal, if taxpayer owned property for at least five years. Specifies credit equal to 5 percent if taxpayer owned property for at least ten years. Allows unused credit amounts to be carried forward for three succeeding tax years. Requires taxpayer to first receive credit certification from Oregon Housing and Community Services Department (OHCS). Limits certification of credits to no more than three million per calendar year. Provides rulemaking authority to OHCS and Department of Revenue. Applies to tax years beginning on or after January 1, 2024, and before January 1, 2030. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Publicly supported housing is defined as multifamily rental housing developments of five or more units which are developed using federal and state financing. These properties are subject to affordability restrictions which guarantees that the units built will remain affordable, typically for a minimum of 30 years. Owners of publicly supported housing are required to provide notice to Oregon Housing and Community Services and local governments regarding notice of expiring affordability restrictions and notice of opportunity to offer to purchase.