

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
83rd Oregon Legislative Assembly
2025 Regular Session
Legislative Revenue Office

Bill Number: HB 3236 - A
Revenue Area: Income Taxes
Economist: Kyle Easton
Date: 5/27/2025

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Expands qualification of affordable housing lenders tax credit. Adds 'qualified mortgage loan fund' to the definition of qualified loan and loan eligibility. Expands loan eligibility to include loan proceeds used to finance preservation or rehabilitation of housing in financial or physical distress that is certified by the Housing and Community Services Department and is or will be occupied by households earning 80 percent or less of area median income. Aligns statutory language with the existing sunset of the tax credit. Applies to tax years beginning on or after January 1, 2026.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2025-26	2026-27	2025-27	2027-29	2029-31
General Fund	\$0	-\$0.1	-\$0.1	-\$0.4	-\$0.7

Impact Explanation:

Estimate reflects the expansion of the two types (preservation & qualified loan fund) of affordable housing that may qualify for the credit. As the value of the tax credit is spread over the 20-year term of the qualified loan, the initial reduction in revenue is lower than future biennia. The estimate above reflects the credit's current law sunset of January 1, 2032, for new loans.

According to the 2023 Affordable Housing Preservation Strategy Framework prepared by Oregon Housing & Community Services, 90 affordable rent-restricted projects (5,000 units) are at risk of loss as low-income housing due to the housing's physical or financial challenges. While demand for financial support of these properties exceeds resources available, a portion of identified projects are expected to benefit from the credit's expansion. Estimate of credit was made through an analysis of historic use of the credit, affordable housing preservation previously qualifying for the credit, and identified potentially qualifying projects.

The primary beneficiary of the credit's expansion to include 'qualified mortgage loan fund' is expected to be the Amplify Oregon accelerated mortgage program. Amplify Oregon is a loan program for first-time homebuyers earning 80% or less of area median income. The program received a \$7.5M appropriation in 2023 and is seeking \$10M this legislative session. Estimate assumes future program funding is relatively consistent with historic and current funding request.

Creates, Extends, or Expands Tax Expenditure: Yes ☒ No ☐

The policy purpose of this measure is to expand qualification for the affordable housing lender tax credit to increase the development and preservation of affordable housing.