

## HB 2735 A STAFF MEASURE SUMMARY

### House Committee On Housing and Homelessness

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**Action Date:** 04/02/25

**Action:** Do pass with amendments, rescind subsequent referral to Ways and Means, and be referred to Revenue. (Printed A-Eng.)

**Vote:** 12-0-0-0

**Yeas:** 12 - Andersen, Breese-Iverson, Dobson, Edwards, Fragala, Gamba, Helfrich, Javadi, Levy E, Mannix, Marsh, Sosa

**Fiscal:** No fiscal impact

**Revenue:** Revenue impact issued

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**Meeting Dates:** 3/26, 4/2

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#### WHAT THE MEASURE DOES:

The measure increases the cap on total credits allowed to all taxpayers in any tax year for donations to a fiduciary organization for distribution to individual development accounts from \$7.5 million to \$16.5 million.

#### ISSUES DISCUSSED:

- Funding options for individual development accounts program
- Annual cap on tax credit
- Changes in value of credit over time
- History of program and impacts

#### EFFECT OF AMENDMENT:

The amendment replaces the measure.

#### BACKGROUND:

Individual Development Accounts (IDAs) are special savings accounts designed to help low-income individuals and families save money for specific financial goals. These accounts are typically supported by matching funds from government programs, nonprofits, or other organizations to encourage savings and asset-building. Every dollar deposited by the account holder is matched (often at a ratio of 1:1 to 5:1) by a sponsoring organization. Savings in an IDA can only be used for approved purposes, such as buying a first home; paying for higher education or job training; starting or expanding a small business; or making home repairs or improvements. Participants often must complete financial literacy training to qualify for withdrawals. IDAs are typically available to low-income individuals who meet income and asset limits, as set by the program managing the accounts.