

Submitter: Tara Garkow
On Behalf Of:
Committee: Joint Committee On Tax Expenditures
Measure, Appointment or Topic: SB120

Dear Co-Chair Nathanson, Co-Chair Meek, and Members of the Joint Committee on Tax Expenditures:

On behalf of myself and my community, please raise the cap on the tax credit that funds Individual Development Accounts (IDAs) to at least \$14M, through SB 120 -1.

I am a Eugene resident and an employee at Homes for Good Housing Agency, where I coordinate a self-sufficiency program for low to moderate income earners. This program offers IDAs, which help individuals attain asset ownership and build generational wealth. Over the past six years, I've worked with a handful of people that used IDAs to save for assets like homeownership and post-secondary education. I've had the honor of watching people achieve goals they never thought possible, like first-time homeownership, all thanks to this amazing IDA program. Five years ago, I didn't think home ownership was a realistic goal either because I earned a modest income and didn't have money saved for a downpayment. But then I was given the rare opportunity to open an IDA savings account and my life changed from that point forward. In 2023, I became a homeowner, which never would have been possible had it not been for the IDA savings account that allowed me to save \$18,000 for a downpayment and closing costs. My unique experience as both an IDA Specialist and an IDA saver brings me here today to urge each of you to raise the cap on the tax credit that funds IDAs.

The tax credit that funds IDAs has not kept pace with inflation. While the credit has been capped at \$7.5M per year since 2009, the cost of everything that IDA participants save for has increased dramatically. Each saver needs more funds from the program in order to be successful, yet tax credit revenue has remained stagnant, prompting the Legislature to provide supplemental investments from the general fund in each of the past three budget cycles. An updated \$14M tax credit cap will allow the IDA program to enroll 1,750 new participants each biennium going forward – close to the program's established service level of 2,000 new savers per biennium. (If the Legislature takes no action on IDA funding this year, the program will shrink much further, to enroll only 1,000 people per biennium.)

By raising the IDA tax credit cap to at least \$14M through SB 120, the Legislature can return the IDA program to solid financial footing. I urge you to include IDAs in this bill. Thank you for your time and consideration today.

Sincerely,

Tara Garkow
Homes for Good Housing Agency