

SB 790 / HB 3133

Expand the Oregon IDA Initiative



The Oregon Individual Development Account (IDA) Initiative builds strong communities from the ground up, providing individuals and families hope, incentives, and support as they invest in their futures. IDAs are flexible, and leverage community resources and expertise.

Oregonians from all corners of the state benefit from IDAs. They work with local partners to build skills and knowledge as they develop a strong savings habit. Their savings are matched as they reach their goals with a solid plan for their future.

Serve more Oregonians: Increase tax credit authority from \$7.5 to \$15 million

The Oregon IDA Initiative is funded by a tax credit authorized in ORS 315.271. Credits are capped at \$7.5 million a year. We would like to increase that limit to \$15 million in 2019, to meet more of the demand for this crucial tool for building financial resilience across Oregon.

Keep the tax credit viable as a funding mechanism: Adjust the value of the credit.

The credit value is currently set at 70%. We need to adjust this to compensate for federal tax changes which make contributions non-deductible on federal taxes and to make the credit comparable to other state credits.

Accelerate savings: Set higher limits for annual match earnings

Accelerating match earnings will especially benefit those saving for homeownership. We want to allow up to \$3,000 in savings match per 6 month period. ORS 458.690 (2) currently allows this match amount over 12 months.

Update statutory language, and remove outdated references to federal programs

- ORS 458.675 (4) references one federal program which was discontinued, and one which is not widely used. We would like to remove those references.
- ORS 458.675 (6) references discontinued federal funding. Replacement language references the ability to leverage or complement federal resources.
- Update reference to the wider range of savings categories added in 2015 in ORS 458.675 (5) and ORS 458.695 (4)
- Remove statutory instructions for calculation of net worth, in ORS 458.680 (2), and replace with a requirement that the procedure be defined in administrative rule.
- Replace references to making residences accessible and visitable with general language that is still true to the intent of the original.

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