



*The League of Women Voters of Oregon is a 99-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.*

April 11, 2019

To: [House Committee on Revenue](#)  
Chair Representative Nancy Nathanson  
Vice-Chair Representative Lynn Findley  
Vice-Chair Representative Pam Marsh  
[hrev exhibit email](#)

Re: [HB 3349](#) – Reduced Mortgage Interest Deduction; Savings Transfer to Oregon Housing Fund – **Support**

This bill has two components: a change to taxes and a change to spending.

The League of Women Voters of Oregon has a studied Position supporting a tax system that is based on ability to pay. In other words, a progressive tax system in which those who have more pay more.

HB 3349 will remove the state mortgage income deduction from the top five percent of Oregon households, those with incomes over \$250,000. This biennium the deduction as a whole will likely cost the state \$911 million in lost revenue, with 60% of the benefit going to the top 20% of filers ([pg. 83](#)). Removing the deduction from high-income tax filers will rebalance the benefits so that the resources support more Oregonians in need of safe and stable housing. It will also make Oregon’s personal income tax more progressive, with more revenue coming from those with the most ability to pay. Thus the League supports the tax change in this bill.

The League believes that government at all levels must make available sufficient funds for housing-assistance programs. The mortgage interest deduction currently is structured in a way that overwhelmingly benefits the wealthiest Oregonians. At the same time, communities throughout Oregon are experiencing a housing crisis. As a state, we need to evaluate carefully every available housing subsidy in order to ensure that we are doing all we can to meet the overwhelming need. When so many families and individuals have no place to live, the time is right to redirect some of the resources from the deduction to those with the greatest need.

By modifying the deduction, resources can be redirected to services and support for families experiencing homelessness and housing instability and to affordable homeownership for low and moderate income households. The League is particularly concerned about our most vulnerable community members and believes this bill will increase the state’s capacity to serve that population. Lack of housing affordable to extremely low-income households is one of Oregon's biggest challenges. Directing the savings from the mortgage income deduction to lower income families is an effective way to help address our housing crisis.

Thank you for the opportunity to discuss this legislation.

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LWVOR President

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LWVOR Housing Portfolio

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LWVOR Revenue Co-Chair