



## **HB 2735 A – End the tax credits to support Individual Development Accounts**

House Revenue – Jody Wisner – April 22, 2025

My name is Jody Wisner and I am representing Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

**For at least a decade we have recommended you end the practice of auctioning tax credits to the highest bidder and instead just fund programs you believe in with General Fund dollars.**

The revenue committees have in fact ended the practice for Oregon Opportunity Grants and the funding for that college tuition support program has continued to rise.

**Two years ago, the Revenue committees abolished the auctioning of tax credits to fund Opportunity Grants.** Instead, Ways and Means used the same dollars to fund the program directly, rather than giving some of the money to the buyers of the tax credits. **As a result, more students got college grants for the same expenditure.**

We urge you to take the same approach for IDAs: Stop giving away money to auction winners and fund the IDA program directly through Ways and Means. Working together, legislators can create a more efficient funding source.

Ways and Means will become aware that this bill would cost an additional \$18 million this coming and future biennium. Much of it would go to the organizations who manage and the individual savers who use the IDA program. But some percentage, potentially as much as \$1.8 million would go to the folks who purchase these tax credits, generally in large lots, limited to no more than \$500,000 per taxpayer. That raises your “gift” to tax credit purchasers to as much as \$3.3 million per biennium. **Purchasers get to pay their taxes at a discount.**

Another bill, HB 3809 provides \$20 million in grants for IDAs, passed out as \$2.5 million each quarter. That is a \$4 million increase for the biennium over prior General Fund funding. So between the two bills, the IDA coalition’s ask is for an increase of \$12 million for the biennium, and total funding of \$43 million. **But there is no reason for two bills or two funding mechanisms.**

**Now would be a perfect time to end this tax credit and simply ask that Ways and Means provide the total in funding grants for the IDA program.**

*We read the bills and follow the money*