

QuickPoint! – Oregon Secretary of State Says No “Clear Purpose” for Mortgage Tax Deduction

By Eric Fruits, Ph.D.

This time they're coming for your home. Earlier this month, Oregon's Secretary of State released an audit of Oregon's mortgage interest tax deduction. According to the audit, the tax deduction is “regressive and inequitable.”

This audit is unusual in that it calls into question policy decisions made by the legislature. In particular, it claims that the deduction has no “clear purpose.” Incredibly, the audit recommends that the legislature come up with a clear purpose and direct a state agency to make sure the tax deduction is meeting that clear purpose.

It is well known that one clear purpose for the mortgage interest deduction is to foster homeownership. For many first-time homeowners, the tax deduction is the primary reason they can even afford to become homeowners.

More importantly, these homeowners enter into 30-year loans based on the expectation that the interest on those loans would be tax deductible. Yanking that deduction away could increase many homeowners' tax bills by thousands of dollars.

Even more outrageous is the Secretary of State giving what amounts to marching orders to the legislature. Every session the legislature passes scads of laws that have no “clear purpose.” Yet, this audit seeks to upend one measure of the tax code that benefits a majority of Oregon voters.

I hope the Secretary of State's audit falls on deaf ears, but I fear it may be the opening shot in the state's assault on homeowners.

Eric Fruits is Vice President of Research at Cascade Policy Institute, Oregon's free market public policy research organization.

March 23, 2022

Word Count: 236

Attention editors
and producers:

Cascade Commentaries are provided for reprint in newspapers and other publications, with credit given to author(s) and Cascade. Contact Cascade to arrange print or broadcast interviews on this commentary topic.

Please contact:

Cascade Policy Institute
4850 SW Scholls Ferry Rd.
Suite 103
Portland, Oregon 97225

Phone: (503) 242-0900
Fax: (503) 242-3822

www.cascadepolicy.org
info@cascadepolicy.org

4850 SW Scholls Ferry Road
Suite 103
Portland, Oregon 97225

t: 503.242.0900
f: 503.242.3822
info@cascadepolicy.org
www.cascadepolicy.org

Cascade Policy Institute is a tax-exempt educational organization as defined under IRS code 501 (c)(3). Nothing appearing in this Cascade Commentary is to be construed as necessarily representing the views of Cascade or its donors. The views expressed herein are the author's own.

