



The Education Savings Credit



The legislation. During the 2019 session, the Oregon Legislature passed the nation's first refundable tax credit to help Oregon families save for their future through the Oregon College Savings Plan (OCSP) and the Oregon ABLE Savings Plan. The legislation allows families to receive a state income tax credit up to \$300 for joint filers and up to \$150 for single filers on contributions made to their OCSP and/or ABLE accounts.



A tax credit that works for you. Through the new Education Savings Credit, Oregon is allowing more families to benefit from saving for higher education and disability related expenses. The Education Savings Credit replaces the previous state tax deduction.



Encouraging participation. Designed to reach diverse communities across the state and the income spectrum, the tax credit is tiered, with low- to moderate- income families receiving a higher percentage match; reducing barriers to accessibility for most types of higher education and disability related expenses.



Where do you fit in? For example, a family making \$70,000/year who contributes \$600 into their Oregon College Savings Plan account will receive the full \$300 refundable tax credit for that tax year. The chart below can help you determine where you fit in.

Adjusted Gross Income (AGI) of the contributor	% of Contributions eligible for tax credit	Contribution needed to maximize \$150 tax credit for single filer	Contribution needed to maximize \$300 tax credit for joint filer
Less than \$30K	100%	\$150 contribution	\$300 contribution
\$30K-\$70K	50%	\$300 contribution	\$600 contribution
\$70K-\$100K	25%	\$600 contribution	\$1,200 contribution
\$100K-\$250K	10%	\$1,500 contribution	\$3,000 contribution
More than \$250K	5%	\$3,000 contribution	\$6,000 contribution



Why the Change? Research tells us that just having an account opened in your name will make you three times more likely to enroll in a job training or college program, and four times more likely to complete it. Using the Education Savings Credit will help reduce student debt and help people with disabilities save for their future. The refundable credit will help every Oregonian start on the right path. A small investment today will pay dividends later—for families, and ultimately for our future economy.

"We believe in kids from underrepresented communities, kids from rural Oregon, and every kid in our state who just needs an opportunity," State Treasurer Tobias Read. "My goal is to make it easier for people to save early so they have to borrow less, and pay less interest later."

