



What Tax Reform Means to Oregonians

An Initial Assessment for OAR Members

Shawn Cleave, OAR Government Affairs Director

(December 22, 2017) -- While President Trump and Congressional Republicans celebrated the passage of The Tax Cuts and Jobs Act on Wednesday, the bill left a lot of folks wondering how their taxes and businesses will be affected.

Thanks to more than 4,400 Oregon REALTORS® (and 300,000 NAR members nationwide) who responded to two Calls for Action on this legislation, the final bill preserved key provisions related to real estate, including the exclusion for capital gains on the sale of a home and the like-kind exchange for real property.

In addition, many REALTORS® who earn income as independent contractors or from pass-through businesses will see a significant deduction on that business income.

As for your taxes, and those of your clients, the impact will likely differ from person to person. By and large, however, Oregon is connected to the federal tax code; as such, nearly anything Congress does as it relates to taxes is automatically reflected in our state tax code.

As residents of a high income tax state, the 63% (or so) of Oregonians who own a home usually have more itemized deductions, such as property taxes and mortgage interest, than the standard federal deduction allowance.

But since the Tax Cuts and Jobs Act doubles the standard deduction, it is likely that fewer home buyers will consider or benefit from mortgage interest and property tax deductions in their purchasing decision.

As expressed in [NAR's assessment](#), there are a lot of moving parts in the final bill, and I encourage you to read it through to understand how it affects you and your clients.

It also is possible that the Oregon Legislature could modify to our state tax code in response to federal tax reform. Such action would also impact your specific tax situation in multiple ways.

We are keeping a close eye on this legislation and its ripple effect on Oregonians and our real estate and housing industries. Stay tuned as more details emerge.

In the meantime, please consult your tax professional for more complete and formal advice, as OAR cannot legally provide tax consulting.

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