

# Bill: Deduct student debt?

By Kristena Hansen  
Associated Press

SALEM (AP) — For roughly 44 million debt-saddled college graduates across the nation, the federal government will whittle down their taxable incomes by amounts equal to whatever interest they paid on their student loans throughout the year, capped at \$2,500 depending on income.

But when tax season comes around again next year, Oregon might forgive all that state residents paid toward student debt within the previous year — down to every last penny of interest and principle, no caps or income limitations.

It's a new proposal being floated at the Oregon Legislature, where some lawmakers characterize it as an innovative approach to the nation's \$1.2 trillion-outstanding student debt problem.

Senate Bill 1034 would expand the existing federal interest-only deduction for both standard and itemized tax returns to include principal, without caps or limits based on income, for the state's income taxing purposes. It would apply to any Oregonian with a federal or private-sector loan, as well as their parents, grandparents, employers or anyone else who helps out.

The policy could be particularly helpful for students

in Oregon, where personal income taxes are among the nation's highest and make up the biggest chunk of the state's revenue stream.

For recent graduates who entered the workforce last year carrying an average \$37,000 in debt, it'd be the difference between, say, roughly \$300 in interest versus about \$4,000 in combined principal and interest they could knock off their state taxable incomes.

The savings would balloon for those attending schools such as Willamette University, directly across the street from the Oregon Capitol in Salem, where parents like Fritz Garger hope to help with at least some of the expenses for his son's four-year degree. At Willamette University, a private school, a four-year tuition bill can run to nearly \$200,000.

"It would make higher education that much more accessible to people who don't necessarily have a lot of money because the interest-only (deduction) doesn't seem like it's that much of a write-off," Garger, a Colorado resident, said while touring the campus with his 15-year-old son, Kosta.

A tax break for college graduates who are often strapped for cash could be an appealing combination for both sides of the political aisle.

But it'll take a bite out of state revenues — although

budget officials haven't yet crunched any estimates — a sensitive topic at a time when state lawmakers are eyeing sweeping tax hikes and layoffs to close the looming \$1.6 billion-budget shortfall come July 1.

And as a proposal from just one Republican, Sen. Chuck Thomsen understood it'd be a tough sell in the Democratic Oregon Statehouse. So after two days of trying to drum up support, Thomsen turned to the state's longest-serving lawmaker, Democratic Senate President Peter Courtney, who agreed to sign on as a co-sponsor.

"I walked into his office and told him what the bill did and said we have to do something for that group because ... in the last 15 years we've just underfunded higher ed," said the lawmaker from Hood River.

Courtney, 73, who rarely takes up requests to co-sign legislation, says he found common ground with Thomsen because has a "soft spot" for students.

He says "it's going to be a monster" trying to push the proposal through during a budget crisis, and understands some compromises might have to be made.

# Lawmakers increase funding for Oregon Promise grants

BEND (AP) — Oregon lawmakers are considering increasing the funding for a state grant that funds community college tuition for low-income students.

*The Bulletin* reports that because more students than expected took advantage of the Oregon Promise grant, there was too little money left over for the spring term and students already in the program faced smaller checks that possibly wouldn't cover their tuition.

A state Senate bill that passed Monday adds more money to the program, meaning students would get all of what they expected for the semester.

The state originally allotted \$10 million per fiscal year for the grant program. The bill that passed Monday would add an additional \$3.6 million to the fund from the state general fund.

# Bear cub picked up by hiker sent to Washington rehab

PORTLAND (AP) — A black bear cub picked up by an Oregon hiker who said the cub was not moving and barely breathing has been moved to a wildlife center in Washington.

*The Oregonian/OregonLive* reports the 3-month-old bear, dubbed "Elkhorn," was sent to PAWS Wildlife Center in Lynnwood, Washington on Friday.

The Oregon Department of Fish and Wildlife says the cub will be able to develop in the center without being habituated to humans.

Wildlife officials say it's illegal to take wildlife out of their habitat, but Oregon State Police have said Hancock won't be cited. An Oregon veterinarian says she and others treated the cub for mild pneumonia.

Corey Hancock of Salem, Oregon found the bear alone Monday and took the animal to local wildlife rehab facility.

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**Good Friday, April 14:** Stations of the Cross, 3:00 p.m.  
Celebration of the Lord's Passion, 7:00 p.m.

**Holy Saturday, April 15:** Easter Vigil, 8:30 p.m.

**Easter Sunday, April 16:** Mass 10:00 a.m.

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