



Opposition to SB 674, SB 319, 701, 319 and 304 Bills Eliminating or Expanding the Estate Tax

Testimony for Senate Finance and Revenue – Robert Sisk – 2.13.2019

The estate tax has existed since Roman times to level the playing field between the very wealthy and those not so fortunate. When President Theodore Roosevelt expressed alarm about the concentration of wealth and power, he said the objective of the estate tax “should be to put a constantly increasing burden on the inheritance of those swollen fortunes of which it is certainly no benefit to this country to perpetuate.”

We need to protect against legislative efforts that would tilt the field against the less fortunate – and against funding for common programs and services – through tax loopholes, exemptions and credits that enhance welfare at the top while so many work at lower stratus, paying taxes, struggling to raise families and trying to make ends meet.

Under current law, the estate is taxed at 10 percent to 16 percent after the transfer of \$1 or \$2 million tax-free. It affects 3.6 percent of taxpayers and raises about \$400 million per biennium. These bills would give those who least need it a tax break – and at the cost to education and other basic programs, – revenue Oregon needs to fund this state.

Much of the wealth being passed on has not been subject to taxes. Homes, land and stocks and other investments grow in value untaxed. Much of these assets accumulated thanks to favorable tax breaks, credits, exemptions and incentives.

These bills would benefit a sliver of the population in least need of tax relief. The proposal to index the estate tax exemption is ill-considered in light of other laws that are not indexed, such as the earned income credit or the minimum wage.

One percent of Americans own nearly 40 percent of the wealth, and 10 percent own nearly 80 percent. The situation feeds on itself: the few get richer, the gap to everyone else grows. We suggest that wealth buys a bigger voice and more political power. More and more Americans are left on the sidelines with a smaller voice in their government.

The absence of an estate tax exacerbates the division between a moneyed aristocracy and everyone else. A small number of families wields power and influence, through wealth handed down from one generation to the next.

The estate tax does not affect those who earned and accumulated the wealth, but heirs who did not. We tax Oregon lottery winners – why not winners of the birth lottery?

Let Oregon remain a model for the common good. Leave the estate tax alone.

We read the bills and follow the money