



*The League of Women Voters of Oregon is a 100-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.*

February 13, 2020

To: [Senate Committee on Finance and Revenue](#)

Senator Mark Hass, Chair

Email: [sfr.exhibits@oregonlegislature.gov](mailto:sfr.exhibits@oregonlegislature.gov)

Re: [SB 1560](#) – Estate Tax Modifications – **Oppose**

The League of Women Voters of Oregon believes any tax proposal should be evaluated with regard to its effect on the entire tax structure and that it should be based on ability to pay. The estate tax is one of the very few mechanisms designed to reduce acute inequality by taxing those most able to pay. SB 1560 would increase the exemption depending on the value of the taxable estate for estates of less than \$6.5 million. The tiered tax rates would be the same as what we have now. Although we applaud the progressivity of some elements of the bill, overall it would reduce taxes for those most able to pay and make our overall tax structure less progressive.

Currently, the estate tax is a tax on the transfer of wealth at death only on estates worth over a million dollars after deductions for funeral expenses, debts, mortgages and liens, bequests and gifts to charities, and bequests to a surviving spouse, and other tax planning options available to high-income Oregonians. For estates worth \$1 to \$2 million, the tax rate ranges from 10 to 10.3% on the amount over the one-million-dollar exemption. Taxes in this range averaged from \$15,300 to \$66,800 in the years from 2012-17. Heirs receive the rest of the \$900,000+ worth of the estate. In addition, there is also the [Natural Resource Credit](#) enacted in 2011 ([HB 2541](#)) for family owned farms, fishing business and small forest owners that increases the threshold for these kinds estates to \$7.5 million. 50 estates claimed this deduction in 2017.

About 96% of all Oregon estates in 2017 were worth less than one million and paid no estate tax. But the estates that did qualify (1,791), brought in \$192,597,186 revenue that year. This past year, according to [LRO 2020 Oregon Public Finance; Basic Facts](#) \$204,700,000 of revenue was generated from the few estates that had to pay the tax, which accounts for a nearly 2% of the General Fund.

**The League feels that the current system already provides good options for reducing the estate tax,** which is badly needed for services for the neediest Oregonians. When we are facing extreme economic inequality, a strong estate tax is vital. The revenue from these fortunate few wealthy Oregonians could go a long way towards the programs for unaccompanied youth, the homeless or the EITC. The League cannot support SB 1560.

Thank you for the opportunity to discuss this legislation.

Rebecca Gladstone  
LWVOR President

Josie Koehne  
LWVOR Revenue Portfolio