

HB 2624 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Jonathan Hart, Economist

Meeting Dates: 2/9, 3/7

WHAT THE MEASURE DOES:

Excludes an additional \$1 million of estate value from estate tax calculation, and adjusts that amount by inflation. Applies to estates of decedents who die on or after January 1, 2024. Takes effect on the 91st day after adjournment sine die.

ISSUES DISCUSSED:

- Estate tax background and threshold
- Taxability of nonresidents
- liquidity of assets and ability to pay tax
- Other state's tax systems

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Since 2012, Oregon estate tax returns are required from resident taxpayers with gross estate value of \$1 million or more, or from nonresidents with real or tangible property in Oregon and gross estate value of \$1 million or more. After deductions including funeral expenses, debt, and bequests to a spouse or charity, \$1 million of taxable estate value is exempt from the Oregon estate tax.

This bill would exempt an additional \$1 million by allowing it to be deducted from the gross estate when determining taxable estate, effectively exempting a total of \$2 million. The additional \$1 million exempted by this bill would be adjusted for inflation annually.