

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
82nd Oregon Legislative Assembly
2023 Regular Session
Legislative Revenue Office

Bill Number: SB 456 - 1
Revenue Area: Estate Tax
Economist: Jonathan Hart
Date: 05/15/2023

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Increases exemption amount for estate tax from \$1 million to \$1.5 million. Creates equivalent tax calculation by deducting exempt amount from taxable estate and changing the tax brackets. Applies to estates of decedents with dates of death on or after January 1, 2024.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2023-24	2024-25	2023-25	2025-27	2027-29
General Fund - Estate Tax	\$0	-\$41.4	-\$41.4	-\$142.3	-\$144.8

Impact Explanation:

The revenue impact is from two groups. Those that would have their tax reduced to zero, and those that would still have tax liability but would have \$500 thousand less estate value subject to tax.

In 2024, about 990 estates are expected to have a value between \$1 million and \$1.5 million and would have their tax eliminated by this measure. On average, these estates would have their tax reduced by about \$16,350. For the same year, about 1,020 estates are expected to have greater than \$1.5 million estate value and would benefit from the full increase in the exempt amount, having their tax reduced by an average of about \$53,600. The total reduction in estate taxes for deaths in 2024 is estimated to be \$71.5 million.

Estimates are modeled using data from Oregon estate tax returns, with growth driven by the number of returns, which is based on deaths in Oregon as forecast by the Office of Economic Analysis. Payments are due 12 months after decedents' deaths.

Creates, Extends, or Expands Tax Expenditure: Yes No