House Bill 2259

Sponsored by Representative LIVELY (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Modifies estate tax brackets to provide additional estate tax exclusion of $1 million.
Takes effect on 91st day following adjournment sine die.

1 **A BILL FOR AN ACT**

2 Relating to the threshold for imposing estate tax; creating new provisions; amending ORS 118.010;

3 and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 118.010 is amended to read:

6 118.010. (1) As used in this section:

7 (a) "Nonresident decedent" means an individual who is domiciled outside of Oregon on the date

8 the individual dies.

9 (b) "Resident decedent" means an individual who is domiciled in Oregon on the date the indi-

10 vidual dies.

11 (2) A tax is imposed upon a transfer of the property of each:

12 (a) Resident decedent; and

13 (b) Nonresident decedent whose estate includes any interest in:

14 (A) Real property located in Oregon; or

15 (B) Tangible personal property located in Oregon.

16 (3) The Oregon taxable estate to be used for purposes of computing the tax imposed under this

17 section shall be the federal taxable estate:

18 (a) Increased by:

19 (A) The deduction for state estate, inheritance, legacy or succession taxes allowable under sec-

20 tion 2058 of the Internal Revenue Code; and

21 (B) If the decedent is a surviving spouse owning the property at death, the value of the following

22 property unless included in the federal taxable estate:

23 (i) Property for which a deduction for Oregon special marital property under ORS 118.016 was

24 previously allowed; or

25 (ii) Property for which a separate Oregon election under section 2056 or 2056A of the Internal

26 Revenue Code was previously allowed; and

27 (b) Reduced by:

28 (A) The value on the date of the decedent's death of all Oregon special marital property under

29 ORS 118.013; and

30 (B) Any other applicable exclusions or deductions.

31 (4) The tax imposed under this section shall be calculated by applying the rates in the following

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

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1 table. If the Oregon taxable estate is at least the amount in column 1, but less than the amount in
2 column 2, the tax is the amount in column 3, increased by the excess above the amount in column
3 1 multiplied by the percentage in column 4:

4 [_____]

1	2	3	4
$1,000,000	*$1,500,000*	*$0*	*10.0%*
1,500,000	*2,500,000*	*50,000*	*10.25%*
2,500,000	*3,500,000*	*152,500*	*10.5%*
3,500,000	*4,500,000*	*257,500*	*11.0%*
4,500,000	*5,500,000*	*367,500*	*11.5%*
5,500,000	*6,500,000*	*482,500*	*12.0%*
6,500,000	*7,500,000*	*602,500*	*13.0%*
7,500,000	*8,500,000*	*732,500*	*14.0%*
8,500,000	*9,500,000*	*872,500*	*15.0%*
9,500,000		*1,022,500*	*16.0%*

17 [_____]

1	2	3	4
$2,000,000	**$2,500,000**	**$0**	**10.0%**
2,500,000	**3,500,000**	**50,000**	**10.25%**
3,500,000	**4,500,000**	**152,500**	**10.5%**
4,500,000	**5,500,000**	**257,500**	**11.0%**
5,500,000	**6,500,000**	**367,500**	**11.5%**
6,500,000	**7,500,000**	**482,500**	**12.0%**
7,500,000	**8,500,000**	**602,500**	**13.0%**
8,500,000	**9,500,000**	**732,500**	**14.0%**
9,500,000	**10,500,000**	**872,500**	**15.0%**
10,500,000		**1,022,500**	**16.0%**

34 (5) In the case of a resident decedent owning, on the date of the decedent's death, real property
35 located outside Oregon or tangible personal property located outside Oregon, the tax imposed under
36 this section shall be the amount determined under subsection (4) of this section multiplied by a ratio.
37 The numerator of the ratio shall be the sum of the value of the decedent's real property located in
38 Oregon, tangible personal property located in Oregon and intangible personal property. The numer-
39 ator may not include any intangible personal property subject to a tax imposed, as a result of the
40 death of the decedent, by another state or country. The denominator of the ratio shall be the total
41 value of the decedent's gross estate.

42 (6) In the case of a nonresident decedent owning, on the date of the decedent's death, real
43 property located in Oregon or tangible personal property located in Oregon, the tax imposed under
44 this section shall be the amount determined under subsection (4) of this section multiplied by a ratio.
45 The numerator of the ratio shall be the sum of the value of the decedent's real property located in

1   Oregon and tangible personal property located in Oregon. The denominator shall be the total value

2   of the decedent's gross estate.

3   (7) Payment, in whole or in part, of estate taxes from funds of an estate or trust on any benefit

4   subject to tax under ORS 118.005 to 118.540 is not to be considered a further taxable benefit, when

5   such payment is directed by the decedent's will or by a trust agreement.

6   (8)(a) If the federal taxable estate is determined by making an election under section 2031(c),

7   2032, 2032A, 2056 or 2056A of the Internal Revenue Code or another provision of the Internal Re-

8   venue Code, or if a federal estate tax return is not required under the Internal Revenue Code, an

9   executor may make separate elections for state estate tax purposes under that same provision.

10 (b) An executor may make elections under ORS 118.013 and 118.140 and section 2056 of the

11 Internal Revenue Code for state estate tax purposes.

12 (c) Elections described in this subsection are irrevocable.

13 **SECTION 2. The amendments to ORS 118.010 by section 1 of this 2023 Act apply to estates**

14 **of decedents who die on or after January 1, 2024.**

15 **SECTION 3. This 2023 Act takes effect on the 91st day after the date on which the 2023**

16 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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