

Requested by SENATE COMMITTEE ON FINANCE AND REVENUE

**PROPOSED AMENDMENTS TO  
SENATE BILL 456**

1 In line 2 of the printed bill, after “tax;” insert “creating new provisions;  
2 amending ORS 118.010 and 118.160;”.

3 Delete lines 4 through 9 and insert:

4 **“SECTION 1. Section 2 of this 2023 Act is added to and made a part  
5 of ORS chapter 118.**

6 **“SECTION 2. In addition to any other amounts allowed under this  
7 chapter, an exclusion in the amount of \$1.5 million is allowed in the  
8 computation of a decedent’s Oregon taxable estate under ORS 118.010.**

9 **“SECTION 3. ORS 118.010 is amended to read:**

10 “118.010. (1) As used in this section:

11 “(a) ‘Nonresident decedent’ means an individual who is domiciled outside  
12 of Oregon on the date the individual dies.

13 “(b) ‘Resident decedent’ means an individual who is domiciled in Oregon  
14 on the date the individual dies.

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

16 “(a) Resident decedent; and

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

18 “(A) Real property located in Oregon; or

19 “(B) Tangible personal property located in Oregon.

20 “(3) The Oregon taxable estate to be used for purposes of computing the  
21 tax imposed under this section shall be the federal taxable estate:

1 “(a) Increased by:

2 “(A) The deduction for state estate, inheritance, legacy or succession  
3 taxes allowable under section 2058 of the Internal Revenue Code; and

4 “(B) If the decedent is a surviving spouse owning the property at death,  
5 the value of the following property unless included in the federal taxable  
6 estate:

7 “(i) Property for which a deduction for Oregon special marital property  
8 under ORS 118.016 was previously allowed; or

9 “(ii) Property for which a separate Oregon election under section 2056 or  
10 2056A of the Internal Revenue Code was previously allowed; and

11 “(b) Reduced by:

12 “(A) The value on the date of the decedent’s death of all Oregon special  
13 marital property under ORS 118.013; *[and]*

14 “**(B) The exclusion allowed under section 2 of this 2023 Act; and**

15 “[~~(B)~~] (C) Any other applicable exclusions or deductions.

16 “(4) The tax imposed under this section shall be calculated by applying  
17 the rates in the following table. If the Oregon taxable estate is at least the  
18 amount in column 1, but less than the amount in column 2, the tax is the  
19 amount in column 3, increased by the excess above the amount in column 1  
20 multiplied by the percentage in column 4:

21 “[ \_\_\_\_\_ ]

22	1	2	3	4
23	\$1,000,000	\$1,500,000	\$0	10.0%
24	1,500,000	2,500,000	50,000	10.25%
25	2,500,000	3,500,000	152,500	10.5%
26	3,500,000	4,500,000	257,500	11.0%
27	4,500,000	5,500,000	367,500	11.5%
28	5,500,000	6,500,000	482,500	12.0%
29	6,500,000	7,500,000	602,500	13.0%
30	7,500,000	8,500,000	732,500	14.0%

1 8,500,000 9,500,000 872,500 15.0%  
 2 9,500,000 1,022,500 16.0%

3 “[ \_\_\_\_\_ ]

4 “ \_\_\_\_\_

5	1	2	3	4
6	\$0	\$500,000	\$0	10.0%
7	500,000	1,500,000	50,000	10.25%
8	1,500,000	2,500,000	152,500	10.5%
9	2,500,000	3,500,000	257,500	11.0%
10	3,500,000	4,500,000	367,500	11.5%
11	4,500,000	5,500,000	482,500	12.0%
12	5,500,000	6,500,000	602,500	13.0%
13	6,500,000	7,500,000	732,500	14.0%
14	7,500,000	8,500,000	872,500	15.0%
15	8,500,000		1,022,500	16.0%

16 “ \_\_\_\_\_

17 “(5) In the case of a resident decedent owning, on the date of the  
 18 decedent’s death, real property located outside Oregon or tangible personal  
 19 property located outside Oregon, the tax imposed under this section shall be  
 20 the amount determined under subsection (4) of this section multiplied by a  
 21 ratio. The numerator of the ratio shall be the sum of the value of the  
 22 decedent’s real property located in Oregon, tangible personal property lo-  
 23 cated in Oregon and intangible personal property. The numerator may not  
 24 include any intangible personal property subject to a tax imposed, as a result  
 25 of the death of the decedent, by another state or country. The denominator  
 26 of the ratio shall be the total value of the decedent’s gross estate.

27 “(6) In the case of a nonresident decedent owning, on the date of the  
 28 decedent’s death, real property located in Oregon or tangible personal prop-  
 29 erty located in Oregon, the tax imposed under this section shall be the  
 30 amount determined under subsection (4) of this section multiplied by a ratio.

1 The numerator of the ratio shall be the sum of the value of the decedent's  
2 real property located in Oregon and tangible personal property located in  
3 Oregon. The denominator shall be the total value of the decedent's gross  
4 estate.

5 “(7) Payment, in whole or in part, of estate taxes from funds of an estate  
6 or trust on any benefit subject to tax under ORS 118.005 to 118.540 is not to  
7 be considered a further taxable benefit, when such payment is directed by the  
8 decedent's will or by a trust agreement.

9 “(8)(a) If the federal taxable estate is determined by making an election  
10 under section 2031(c), 2032, 2032A, 2056 or 2056A of the Internal Revenue  
11 Code or another provision of the Internal Revenue Code, or if a federal es-  
12 tate tax return is not required under the Internal Revenue Code, an executor  
13 may make separate elections for state estate tax purposes under that same  
14 provision.

15 “(b) An executor may make elections under ORS 118.013 and 118.140 and  
16 section 2056 of the Internal Revenue Code for state estate tax purposes.

17 “(c) Elections described in this subsection are irrevocable.

18 **“SECTION 4.** ORS 118.160 is amended to read:

19 “118.160. (1) Except as provided in subsection (2) of this section:

20 “(a) An inheritance tax return is not required with respect to the estates  
21 of decedents who die on or after January 1, 1987, and before January 1, 2003,  
22 unless a federal estate tax return is required to be filed;

23 “(b) An inheritance tax return is not required with respect to the estates  
24 of decedents who die on or after:

25 “(A) January 1, 2003, and before January 1, 2004, unless the value of the  
26 gross estate is \$700,000 or more;

27 “(B) January 1, 2004, and before January 1, 2005, unless the value of the  
28 gross estate is \$850,000 or more;

29 “(C) January 1, 2005, and before January 1, 2006, unless the value of the  
30 gross estate is \$950,000 or more; or

1 “(D) January 1, 2006, and before January 1, 2012, unless the value of the  
2 gross estate is \$1 million or more; and

3 “(c) An estate tax return is not required with respect to the estates of  
4 decedents who die on or after:

5 “(A) January 1, 2012, and before January 1, 2024, unless the value of  
6 the gross estate is \$1 million or more[.]; or

7 “(B) January 1, 2024, unless the value of the gross estate is \$1.5  
8 million or more.

9 “(2) In every estate, whether or not subject to administration and whether  
10 or not a federal estate tax return is required to be filed, the executor shall  
11 at such times and in such manner as required by rules of the Department  
12 of Revenue, file with the department a return in a form provided by the de-  
13 partment setting forth a list and description of all transfers of property, in  
14 trust or otherwise, made by the decedent in the lifetime of the decedent as  
15 a division or distribution of the estate of the decedent and any further data  
16 that the department requires to determine estate tax under this chapter.

17 “**SECTION 5. Section 2 of this 2023 Act and the amendments to ORS**  
18 **118.010 and 118.160 by sections 3 and 4 of this 2023 Act apply to estates**  
19 **of decedents dying on or after January 1, 2024.**

20 “**SECTION 6. This 2023 Act takes effect on the 91st day after the**  
21 **date on which the 2023 regular session of the Eighty-second Legislative**  
22 **Assembly adjourns sine die.”.**

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