

## **SB 456 (Estate Tax) Public Hearing: 5/15/2023**

By my count, there have been 12 or so bills introduced this session to try to rectify the oppressive nature of Oregon's estate tax, especially when compared to the 33 states which have no estate tax. And of the 17 states that have an estate tax, Oregon has the smallest exemption, meaning it is the most oppressive. There will be those who erroneously argue that eliminating the estate tax is unfair and that we should use this tax revenue to redistribute money to others.

I believe that Oregon will lose more state income tax revenue from people moving out of Oregon to avoid the estate tax, than they will gain from keeping the estate tax. A bill such as SB 456 will help eliminate the incentive to move out of state. As a result, these Oregonians will continue to pay annual income taxes. Many Oregonians who are over 72 years of age are required to withdraw their IRA funds according to a "Required Minimum Distribution" formula or "RMD". But, by moving out of Oregon, these retired people can avoid the Oregon income tax on the RMD and also avoid the estate tax. This is a fact that some people do not understand. The strategy of moving from Oregon to Texas, Florida, Idaho, Utah, Nevada or many other tax-friendly states is one that retirees are employing.

It is short-sighted to believe that Oregon benefits from having an estate tax. In fact, estate tax revenues are only a small fraction of total state revenues. It is much smaller than what the kicker is projected to be. Passing SB 456 to reduce the impact of the estate tax on Oregonians will help keep them from moving to any of the multitude of other states without an estate tax.

Sincerely,

Brad Dennis  
Albany