

Estate Tax Overview

Senate Committee on Finance and Revenue

February 10, 2025



Organization of Information

- Brief history
- Revenue by Year Fiscal Year 2017 through 2027 (forecast)
- Overview of Tax Calculation
- Characteristics of Estate Taxpayers
 - Most Recent Complete Tax Year (2022) Detail
 - History of tax due 2012 - 2022

Brief and Recent History

Oregon tax was connected to Federal Tax Credit

from 1987 to 2001 Oregon Tax = Fed allowed credit for state tax

2001 Federal law phased out the federal credit

Oregon remained tied to the 1997 calculation of the credit

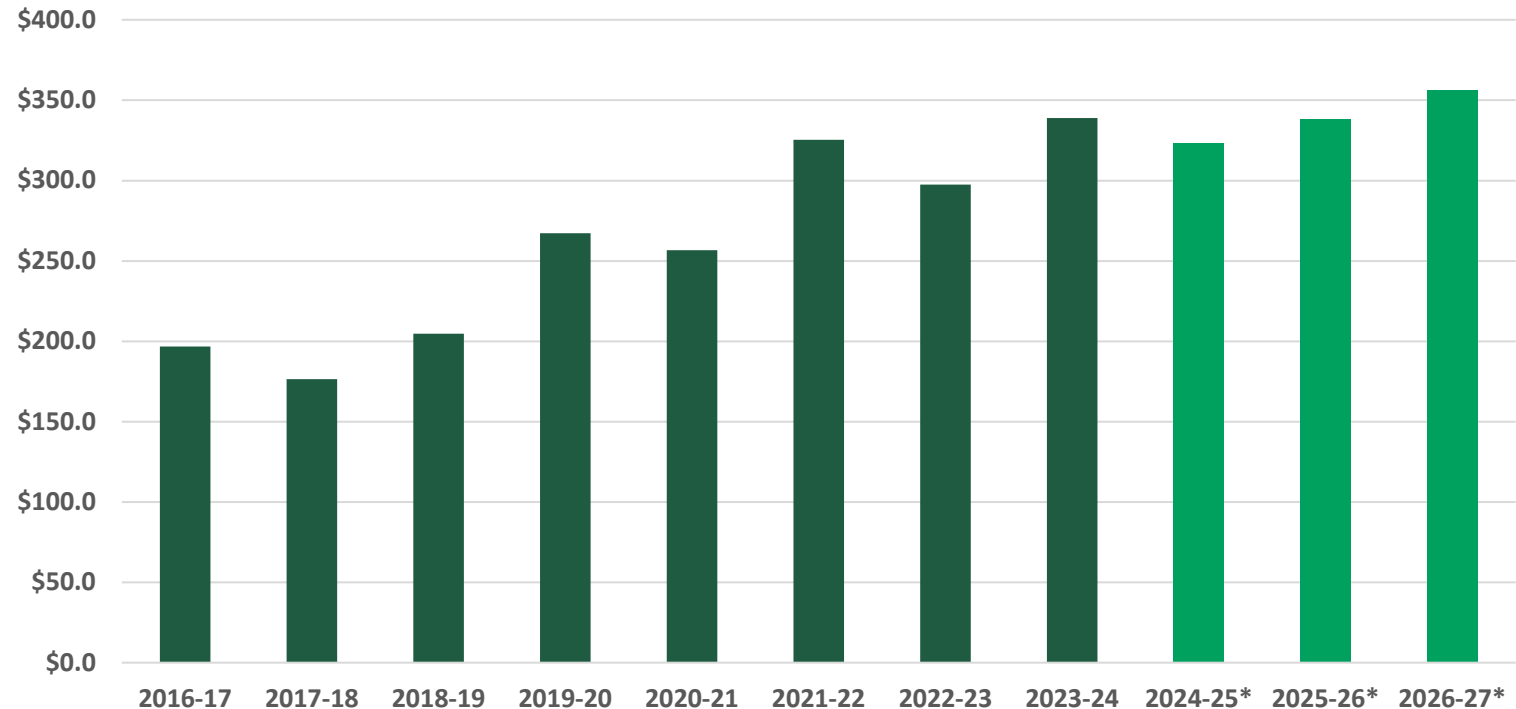
Current Oregon Estate Tax is the result of a rewrite in HB 2541 (2011) after study and recommendations from the Oregon Law Commission and significant legislative work.

- Structure was shaped by calculation of federal credit,
- Uses definitions (e.g. definition of “Gross Estate”) in federal law for 2010

Estate Tax Receipts

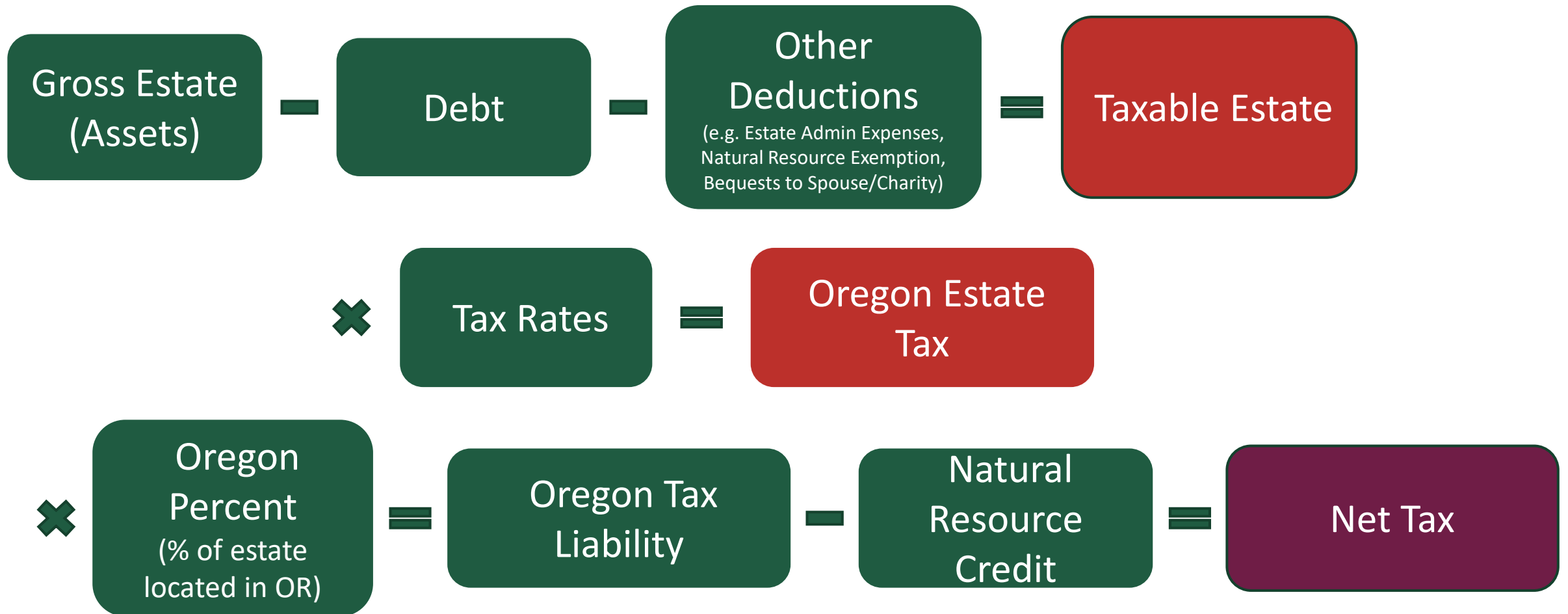
| Fiscal Year | Receipts (\$ million) |
|-------------|-----------------------|
| 2016-17 | \$196.9 |
| 2017-18 | \$176.5 |
| 2018-19 | \$204.7 |
| 2019-20 | \$267.3 |
| 2020-21 | \$256.7 |
| 2021-22 | \$325.5 |
| 2022-23 | \$297.6 |
| 2023-24 | \$339.0 |
| 2024-25* | \$323.5 |
| 2025-26* | \$338.3 |
| 2026-27* | \$356.1 |

Oregon Estate Tax Receipts by Fiscal Year (\$ million)



*2024-2025 and later forecast by Office of Economic Analysis (December 2024)

Simplified Estate Tax Calculation



Tax Rates

| Taxable Estate | | Marginal Tax Rate |
|----------------|------------------|-------------------|
| Less than | \$1 million | 0% |
| \$1 million | to \$1.5 million | 10% |
| \$1.5 million | to \$2.5 million | 10.25% |
| \$2.5 million | to \$3.5 million | 10.5% |
| \$3.5 million | to \$4.5 million | 11% |
| \$4.5 million | to \$5.5 million | 11.5% |
| \$5.5 million | to \$6.5 million | 12% |
| \$6.5 million | to \$7.5 million | 13% |
| \$7.5 million | to \$8.5 million | 14% |
| \$8.5 million | to \$9.5 million | 15% |
| More than | \$9.5 million | 16% |

\$1 million exclusion of taxable estate is implemented through tax brackets, other programs generally subtract exclusion amount to calculate taxable value.

Estate Tax Year and Due Dates

“Tax Year” for Estate Tax is the year of a decedent’s death

- This generally groups estates that had similar applicable laws

Estate Tax Returns are Due 12 months after decedent’s death (was 9 months before 2022)

- An extension of six months is available
- If an executor is outside the U.S. and filing is impractical, and additional extension may be available
- Consequently – Tax Return Data is “complete” two years after a tax year

Estate Tax Payments are due 12 months after decedent’s death

- Payment extensions are permitted under special circumstances (payments after due date include interest)

Tax Year 2022 Tax Returns By Estate Size

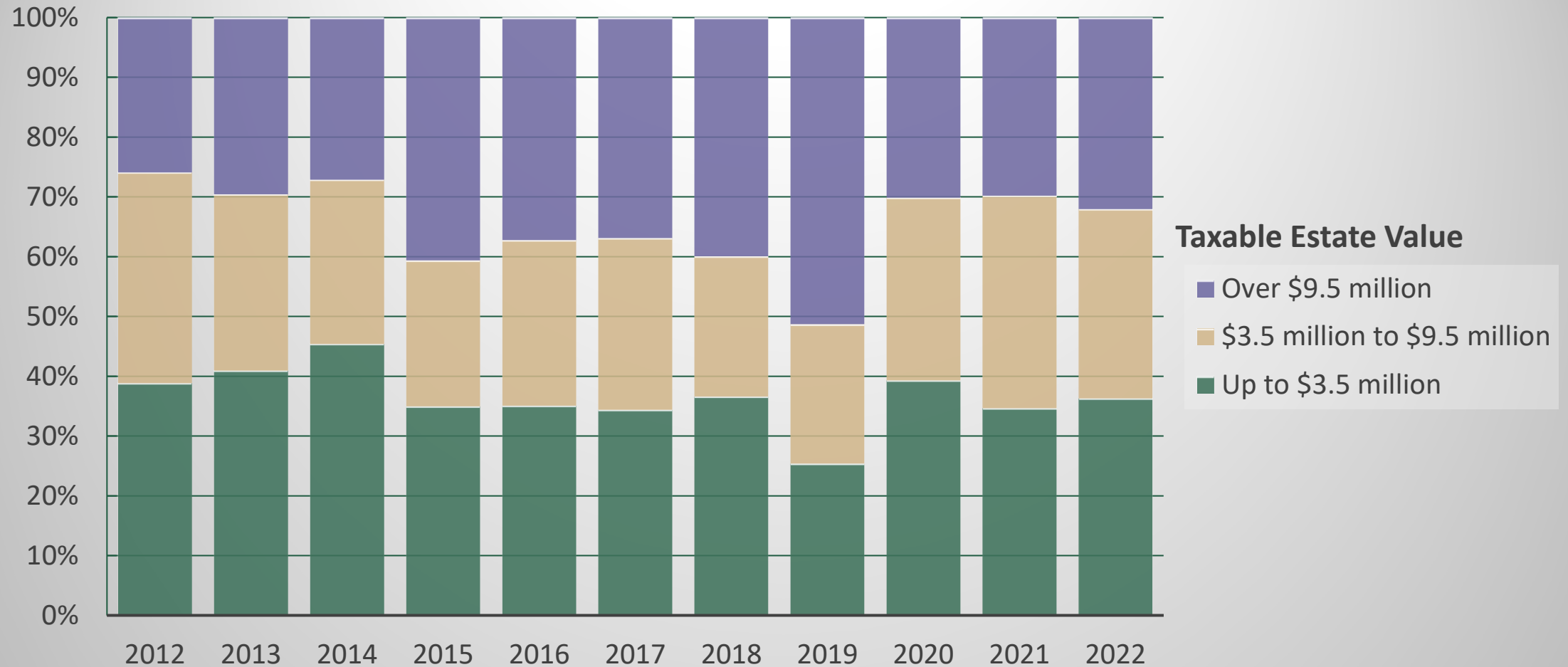
| Taxable Estate | Number of Returns | % of Returns | Total Tax (\$ million) | % of Tax |
|--------------------------|-------------------|--------------|------------------------|-------------|
| a) Less than \$1 million | 888 | 28.6% | \$0 | 0.0% |
| b) 1m-1.5m | 1,012 | 32.6% | \$17,426,667 | 5.4% |
| c) 1.5m-2.5m | 656 | 21.1% | \$57,759,652 | 17.8% |
| d) 2.5m-3.5m | 237 | 7.6% | \$42,334,036 | 13.1% |
| e) 3.5m-4.5m | 98 | 3.2% | \$25,633,754 | 7.9% |
| f) 4.5m-5.5m | 59 | 1.9% | \$22,674,259 | 7.0% |
| g) 5.5m-6.5m | 36 | 1.2% | \$15,509,496 | 4.8% |
| h) 6.5m-7.5m | 28 | 0.9% | \$13,841,493 | 4.3% |
| i) 7.5m-9.5m | 38 | 1.2% | \$24,880,930 | 7.7% |
| j) more than 9.5m | 54 | 1.7% | \$103,889,644 | 32.1% |
| Total | 3,106 | 100% | \$323,949,931 | 100% |

Note that “% of Tax” column does not represent total reduction in tax if threshold were raised to that level for all estates. For instance, an increase in the threshold to \$1.5 million would have reduced taxes by an average of 23 percent between 2016 and 2022.

Estate Tax Returns by Tax Year

| | Total Returns | Total Tax (\$ million) |
|------|----------------------|-------------------------------|
| 2012 | 1,385 | \$94.2 |
| 2013 | 1,599 | \$106.6 |
| 2014 | 1,563 | \$113.0 |
| 2015 | 1,776 | \$157.6 |
| 2016 | 1,857 | \$175.4 |
| 2017 | 2,063 | \$206.7 |
| 2018 | 2,067 | \$188.1 |
| 2019 | 2,372 | \$315.8 |
| 2020 | 2,486 | \$243.3 |
| 2021 | 3,041 | \$338.6 |
| 2022 | 3,106 | \$323.9 |

Estate Tax Percent Due by Taxable Estate Value



More Information

Oregon

LRO's 2025 "[Oregon Public Finance: Basic Facts](#)" Publication,

Historical

LRO's 2001 "[Oregon's Inheritance Tax](#)" research brief, and
[Inheritance Tax Workgroup Report](#) (Oregon Law Commission, March 2011)

Federal

[The Estate and Gift Tax: An Overview](#) (Congressional Research Service, September 2024)

