

HB 2093 -1 STAFF MEASURE SUMMARY

House Committee On Revenue

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/6, 6/13

WHAT THE MEASURE DOES:

Directs the Legislative Revenue Officer to study the estate tax and submit a report by December 1, 2026.

ISSUES DISCUSSED:

- Exemption level of Oregon Estate Tax
- Portability of exemption from first estate of first spouse to die

EFFECT OF AMENDMENT:

-1 Replaces the Bill.

Modifies Estate Tax Natural Resource Exemption by expanding ownership requirements for qualified property to include ownership or beneficial interests in qualified property by businesses or trusts. Changes the look-back and look-forward requirements of decedent and heir participation in a qualified natural resource business using qualified property. Allows qualified property to be replaced in an exchange for other qualified property. Excludes qualified property from ratio used to calculate tax for estates with property both inside and outside Oregon. Applies to estates of decedents dying on or after July 1, 2025.

Changes the qualification criteria of forestland for the natural resource estate tax exemption. Specifies qualifying forestland must be between 10 and 5,000 acres, and held by decedent and managed by decedent or a family member during at least five years prior to date of death, and held and managed by a family member during the five years after the date of death. Requires documentation of management activities that are appropriate or customary for qualified forestland parcels. Applies to estates of decedents who die on or after January 1, 2026.

Allows surviving spouse to elect an additional estate tax exclusion based on unused amount of prior deceased spouse's exclusion up to \$1 million. Specifies the additional amount is calculated by subtracting the Oregon taxable estate of the prior deceased spouse from \$1 million. Requires irrevocable election of additional exclusion be filed within 12 months after the death of the prior deceased spouse. Applies to estates of decedents that have a predeceased spouse that dies in 2026 or later.

BACKGROUND:

Since 2012, Oregon estate tax returns are required from resident taxpayers with gross estate value of \$1 million or more, or from nonresidents with real or tangible property in Oregon and gross estate value of \$1 million or more. After deductions including funeral expenses, debt, and bequests to a spouse or charity, \$1 million of taxable estate value is exempt from the Oregon estate tax. Estates are taxed at ten rates based on taxable estate value beginning at 10% starting at the current exemption level of \$1 million, up to 16% for taxable estate value over \$9.5 million.

The amendment combines three bills heard by the committee SB 485A, HB 3630, and HB 3934. It includes changes to the concepts in HB 3934 adding a later applicability date and clarification that estate tax portability applies to estates where the first spouse dies in 2026 or later.