



Feb. 6, 2025

TO: Members of the House Committee on Revenue

FR: Derek Sangston, Oregon Business & Industry

RE: Support for HB 2301

Chair Nathanson, Vice-Chair Reschke, Vice-Chair Walters, members of the House Committee on Revenue. For the record, I am Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in support of HB 2301. OBI has long supported efforts to mitigate the impact of the estate tax on Oregon's grieving families and successful small businesses. We are encouraged by this bill, and several others being considered this session, because it signifies support for continuing to build on efforts from past sessions to finally address Oregon's punitive estate tax system in a comprehensive manner.

OBI supports HB 2301 because it would reduce the financial burdens imposed by thousands of grieving families, ensure the long-term viability of our beloved family businesses, and reduce the need for many Oregonians to leave our state – taking capital, talent, and jobs with them. By raising the threshold at which the estate tax applies from \$1 million to \$7 million and cutting the rate to a flat 7 percent, HB 2301 would provide much needed relief to an ever-increasing number of Oregonians and thousands of small businesses.

While most states, 38 to be exact, have either never imposed or have repealed their estate taxes, Oregon's estate tax applies to more assets left at death than any other state. This is an issue that is compounded when one recognizes that of the states that neighbor Oregon only Washington also imposes an estate tax. However, the threshold at which Washington's tax applies is more than twice Oregon's own threshold. When coupled with Oregon's high property values, Oregon's low estate tax threshold often creates a situation in which heirs must sell family businesses or homes just to pay the tax obligation.

To provide relief to Oregon families and support the long-term viability of family businesses, OBI respectfully requests this committee pass HB 2301. Thank you for your consideration.

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