

Raising the Estate Tax on Oregonians: A Personal Perspective

Estate taxation has long been a contentious issue, significantly impacting the financial well-being of residents. In Oregon, the current estate tax threshold has driven some individuals to relocate, and I find myself among them. It was a heartbreaking decision to plan to move out of the beloved state in which I was born and raised, but a necessary one for the sake of my children. The proposal to raise the estate tax threshold to at least \$7 million for all Oregonians comes at a crucial time when many believe that the tax burden is one of the primary reasons for the exodus of the upper middle class from Oregon and Portland.

Many people may assume that earning \$150,000 annually is a considerable amount. However, the reality is that after accounting for taxes and being excluded from need-based assistance programs, the net income can be significantly lower than that of someone earning \$70,000. This discrepancy stems from the heavy tax burden that individuals face, which includes not just income taxes but also Preschool for All and Metro Supportive Housing Services taxes, in addition to other tax burdens. The tax burden takes the income down to \$98,000; however, they do not qualify for help with college education or any other sort of income-based assistance².

The negative net migration out of the City of Portland is a documented phenomenon, and over-taxation is the major contributing factor. Although the media will have you thinking that it is the homeless issue, that exists everywhere, not just Portland. Overweight tax burden is a Portland issue. When the upper middle-class leaves, it is not just these individuals who are affected but the entire city. Their departure can harm the local economy and reduce the tax base, leading to a ripple effect that impacts all residents.

Personally, I have decided to move to Nevada this year solely because of the tax burden in Oregon. My decision was influenced by various taxes, but prominently the estate tax. I purchased my home for \$307,000 in 1997, and it is now valued at approximately \$1,000,000. Additionally, my car is valued at \$19,000. These assets alone would subject my daughters to estate taxes upon my passing. The question then arises: How are they expected to pay these taxes? More importantly, why should they have to pay taxes on money that has already been taxed?

Furthermore, I have been prudent in saving and investing for my retirement. The money I have accumulated through hard work and on which I have already paid taxes would again be subject to taxation. This double taxation feels inherently unfair and punitive.

Raising the estate tax threshold to \$7 million would alleviate some of these concerns and absolutely stem the tide of residents leaving Oregon. It would provide a more reasonable tax burden on the upper middle class, allowing them to retain more of their hard-earned wealth and reducing the incentive to relocate to states with more favorable tax policies. For one, I would not move out of Oregon, but most likely, I will move out of Multnomah County.

In conclusion, while estate taxation aims to generate revenue for the state, it is crucial to consider its broader implications. Ensuring a fair and reasonable tax system could help retain residents, support the local economy, and foster a sense of fairness among taxpayers. Raising the estate tax threshold is a step in the right direction toward achieving these goals.