

My name is Mary King. I'm an Economics Professor Emerita, retired from Portland State University. I very much appreciate the opportunity to submit testimony in opposition to the proposal to significantly raise the threshold for Oregon's estate tax.

It's a big mistake to raise the threshold on Oregon's estate tax. The state needs the revenue to meet its obligations to Oregonians for K-12 education, health care, public safety, childcare and other fundamental needs.

We barely tax wealth except with the estate tax, relying instead on personal income taxes with high rates on households with lower incomes, though wealth inequality is far greater than income inequality. Wealth is much more concentrated at the top than is income. What's more the estate tax is our only tax on property held in financial assets, rather than real estate which is taxed by the property tax.

Oregon's tax code privileges wealth by taxing it far less, and much less often, than income. What's more, it taxes the financial assets concentrated in the hands of the wealthiest 10 percent of Oregonians far more lightly than it taxes the houses that constitute the bulk of the wealth held by people in the top half of the income distribution, but not the top tenth.

In the U.S., nine-tenths of financial assets (stocks and bonds) are held by one-tenth of the families, and half by the one percent alone, according to the [U.S. Federal Reserve](#). The wealthiest ten percent owned \$41 trillion in corporate equities and mutual fund shares near the end of 2024, double the value of their real estate.

The bottom 90 percent all together have [only \\$6 trillion more in real estate](#) than do the top ten percent, on which they pay taxes every year. Property taxes pay for local government expenses and over one-third of public school costs.

Oregon taxes financial assets only as part of the estate tax, which raised \$325 million (\$325,470,240) in 2022-23, according to the Legislative Revenue Office's report, 2024 Oregon Public Finance: Basic Facts. By comparison, Oregon's property tax revenues were \$8.7 billion (\$8.698,220,003), 27 times as much – paid by middle class homeowners and by renters as part of their rent. Capital gains on both real property and financial property are taxed only when it's sold. If you die without selling your financial assets or other property, no one will ever pay tax on the capital gains during your lifetime; heirs pay only on capital gains accrued while they are the owners, if they sell the asset(s).

As you know, the Oregon tax code already makes special provisions for farmers and ranchers, employing for them an estate tax wealth threshold that is much higher than for others, at \$13.6 million.

At this moment, when we can expect even less from the federal government, it's imperative that Oregon retain its estate tax at its current threshold, in order to tax financial assets, to reduce extreme economic inequality and to support our critical public services.