

SB 648: Estate Tax Exemption Increase

House Committee on Revenue – Josie Koehne – 2.11.2025



Tax Fairness Oregon OPPOSES **SB 648** which would greatly exacerbate wealth disparities and reduce much needed revenue for the General Fund by increasing Oregon's exemption from \$1,000,000 to \$13,610,000.

Why we need a strong Estate Tax

The estate tax is one way to reduce economic disparity. The accumulation of great wealth passed along from generation to generation passes along with it both economic and social advantages that only increases the economic and social divide between the Haves and the Have Nots. Generational wealth significantly exacerbates the wealth gap:

Moving \$13.6 million to heirs untaxed means the top 1% will continue to get richer and pay less for the social services that those at the bottom of the income spectrum rely upon.

Since White families own far more in assets and property than Black and Latine families, they will only be more advantaged by increasing the estate tax exemption, while ending nearly all of the \$800 million in revenue this equalizing tax generates.

Our current estate tax only impacts a little more than 5% of all estates, about 2,300 estates a year.

We believe those few who inherit large estates should not pay even less, given all the advantages they will inherit. We should be finding ways to help the many who are on the brink of homelessness, many of whom are working but cannot afford basic needs. The estate tax currently provides 2% the General Fund revenue that provides services to low-income families, as it should. Let's not reduce this contribution to nearly nothing from those most able to pay.

The current estate tax already provides many options for reducing the estate tax with estate planning, including for farm forest and fishery families through the Natural Resource Credit which raises the exemption to \$15 for these estates. Instead of this bill to increase the exemption, we should be closing the gift tax loophole.

When we are facing extreme economic disparity, a strong estate tax is vital in reducing the wealth gap. Our tax system should advantage those at the lowest ends of economic spectrum, not those at the top!

We read the bills and follow the money