

SB 124: Making changes to the Oregon estate tax

Senate Finance and Revenue – John Calhoun – 2.10.2025



My name is John Calhoun and I am representing Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

I am a very fortunate resident of Oregon who has an estate that would be subject to the current estate tax. If my wife and I both died and we leave an estate of \$3 million, after payment of the estate tax on the \$1 million above our combined exemptions, the estate would still be \$2.9 million. Each of our three children would get \$967,000 instead of \$1,000,000.

This tax will not change their lives. It will not eliminate their generational wealth. Do you really think that the children for the roughly 95% of Oregon families whose estate is currently not subject to the Oregon tax because it is too small, will feel sorry for my children that they had to pay this tax? Of course not. If they get an even bigger inheritance than the numbers above and the estate pays even more in taxes, are they worse off? Of course not.

In 2022, there were about 2,200 estates that paid the Oregon tax. Any change enacted that increases the exemption or reduces the rate with SB 124 is a gift to this very small group. Meanwhile last year over 750,000 Oregonians needed SNAP benefits to help feed themselves and 22,000 Oregonians are homeless. What kind of value system do we have if we prioritize giving more to the children who already have so much while reducing resources needed for those who are barely getting by.

Now the proponents of cutting the estate tax will talk about protecting family farms and small businesses. Family farms are already doubly protected including by a bill you passed in 2023 so please ignore those claims. As for small businesses, with a little bit of tax planning and early passing of the business to the next generation, Oregon's estate tax can be largely avoided for most small businesses. Often small businesses are sold to satisfy the desires of children not interested in owning that business, but who would benefit by any additional exemption.

Proponents also claim that we need to adjust the exemption for inflation, but they haven't been at the table insisting that the poorest of the poor, those getting TANF payments get an adjustment for inflation.

Lastly, they claim that our estate tax is leading to a major out migration of wealthy seniors seeking to avoid this tax. An article by Michael Mazerov from August 2023 entitled, "[State Taxes Have a Minimal Impact on People's Interstate Moves](#)" addresses this claim.

State revenue of roughly \$700 million is at risk. Giving more to those who won the birth lottery while cutting support for those who struggle to survive is not defensible.

Please drop SB 124.

We read the bills and follow the money