



Feb. 10, 2025

TO: Members of the Senate Committee on Finance and Revenue

FR: Derek Sangston, Oregon Business & Industry

RE: Support for SB 124

Chair Meek, Vice-Chair McLane, members of the Senate Committee on Finance and 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 providing Oregon's families and small businesses with an additional exemption against Oregon's estate tax. By creating an additional exemption and indexing it to inflation, SB 124 would provide much needed relief from the most punitive estate tax in the country.

OBI has long supported efforts to mitigate the impact of Oregon's estate tax. 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.

While most states, 38 to be exact, have either never imposed or have repealed their estate taxes, Oregon's estate tax applies to more assets left at death than any other state.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.

I respectfully urge this committee to use SB 124 to provide substantial relief to the growing number of Oregon families who must pay the estate tax and help support the long-term viability of Oregon's family-owned businesses. Thank you for your consideration of SB 124.