

Bennett Minton
Portland, Oregon

SB 380: On the Estate Tax

Chair Meek and members of the Senate Finance Committee:

The average Oregonian's household net worth is about \$183,000. For the vast majority of voters, this debate is irrelevant – except to the extent the legislature would raise taxes on those never likely to be subject to the estate tax in order to lower taxes on the most wealthy.

The only reason to have an exemption is to mitigate the attraction of hiring an estate attorney to avoid the tax. It becomes a matter of administrative efficiency: Don't burden low-wealth taxpayers with filing requirements, and don't clog the Department of Revenue with estate tax returns that are of little value.

In 2019 I testified before this committee about my great aunt, who died with an enormous estate and no children—and a ton of nieces and nephews and their children, all of whom got a piece of her wealth. At the time, the federal exemption was \$600,000 and the rate was 55%. I still got checks of more than \$20,000, for no reason other than an accident of birth. When my parents died more recently, they were not subject to tax, and I received benefits of a couple hundred thousand. Nice!

I am now in the process of creating trusts to pass on my wealth. That some of my estate will be taxed bothers me not at all. If my children get \$90,000 rather than \$100,000, who am I to complain? If my kids get \$450,000 instead of \$500,000, who are they to complain? What did they do to earn it, other than remain in my good graces? Nothing.

And then this committee spends its energy mulling how to give more to the haves.

I have followed the estate tax debate as a tax policy analyst and corporate lobbyist since the 1990s, when Congress began creating carveouts for yeoman farmers and small businesses. In 2001, Congress created the step-up basis, which along with other tricks removed all taxes on inheritances in some situations. I have watched with dismay as the federal exemption climbed to exorbitant heights—along with wealth inequality and federal debt.

Am I really going to consider moving to Washington to avoid this one tax? Don't be ridiculous. But here's why I may mull leaving this beautiful state: Because Oregon has no vision for how to educate its children, house its people, provide basic services, and create an economy for the future. Its people are stuck in a self-fulfilling state of scarcity.

Devote your attention to creating wealth, rather than not taxing it.