

Submitter: Stephen Wright
On Behalf Of:
Committee: Senate Committee On Finance and Revenue
Measure, Appointment or Topic: SB124

STEPHEN WRIGHT TESTIMONY
Opposed to Senate Bill 124
February 10, 2025

Chair Meek and members of the committee,

I'm Stephen Wright, testifying in opposition to Senate Bill 124 for two reasons.

Reason # 1.

Section 2, paragraphs 1 and 3 leaves open, to be determined by you, an additional exemption from estate tax that shall be allowed.

Any proposed exemption will only decrease the number of estates that pay this tax and also decrease its corresponding General Fund revenue, currently calculated at \$700 million per biennium.

I oppose any bill like this that shifts the operating costs of Oregon government away from the shoulders of Oregonians who have won the birth lottery onto the shoulders of other Oregonians less financially endowed. Or in other words, why should the vast majority of less wealthy Oregonians be asked to subsidize those Oregonians who are more wealthy?

Reason # 2

How is this legislature going to react to a loss in reduced estate tax revenues? Will you increase taxes elsewhere?

Correspondingly reducing education, health care, and public welfare budgeted-level-amounts is not fiscally responsible to the vast majority of Oregonians' needs and desires.

Section 2. Paragraph 2 of this bill reads "The Department of Revenue shall annually determine the exemption amount allowed under this section according to the cost-of-living adjustment for the calendar year."

At first glance, indexing the exemption amount under this section seems reasonable. I come to this conclusion partially because I personally see the effects of indexing in my own retirement benefits.

Therefore, I do support this indexing portion of the bill, but only if you look beyond this bill's estate tax issue.

As an example, I hope you will increase the benefits for Temporary Assistance for Needy Families recipients by as much as you decrease the tax of estate tax heirs.

And I suggest that you should look more broadly across Oregon's current taxes and fees.

Beer and Wine taxes and the penalties for perjury and false swearing and many other taxes and fees haven't been changed in decades. Certainly as the Finance and Revenue Committee, you should also consider acting on many of these other areas of state and local finance that need adjustments.

Consider this - every dollar of fees and taxes raised by the Oregon legislature in 1980 that have not been adjusted since then is worth a paltry 33 cents in the state's current purchasing power.

I'd personally would be in a world of hurt if my retirement cost of living tripled over past 45 years since 1980 and my retirement income wasn't indexed.

Certainly as the Senate Finance and Revenue Committee, I would hope you would not limit your review just by acting on the behalf of estate heirs affected by this bill without also acting on many other areas of state and local finance, including taxes and fees, that need adjustments and/or indexing.

Thank you for your attention.