



Feb. 12, 2025

TO: Members of the Senate Committee on Finance and Revenue

FR: Derek Sangston, Oregon Business & Industry

RE: Support for Estate Tax Modernization (SB 405/SB 648)

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 provide testimony in support of SB 405 and SB 648, both of which would provide middle-income Oregonians and family-owned businesses much needed relief from the estate tax. Oregon's estate tax applies to estates valued over \$1 million making it the most punitive estate tax in the country. By increasing Oregon's estate tax threshold to \$13.61 million, both SB 405 and SB 648 would refocus this tax from the relatively modest estates it increasingly taxes while still applying the tax to the estates for which it was intended.

Due to Oregon's high property values, the estate tax has grown to apply to an increasing number of estates that otherwise would be considered modest. As the values of those assets, especially homes, continue to increase, applying Oregon's estate tax to estates valued at \$1 million will become increasingly more unfair and increasingly require thousands of Oregonians to sell their family homes. A tough pill to swallow for the many Oregonians struggling to afford homes in Oregon.

The impact of Oregon's estate tax also jeopardizes the continued viability of some of Oregon's most beloved local businesses – especially when those businesses have substantial inventory, property, or other assets but operate on small margins. Often Oregon's estate tax requires the heirs of those businesses to sell the business or a portion of it just to pay the estate tax obligation.

SB 405 and SB 648 would almost certainly ensure both of those scenarios no longer occur. Providing relief to everyday Oregonians and helping to ensure the long-term viability of family businesses.

I request that this committee support one of SB 405 or SB 648. Thank you for your consideration.

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