

Submitter: R P Joe Smith
On Behalf Of: Self and my fellow Oregonians
Committee: Senate Committee On Finance and Revenue
Measure, Appointment or Topic: SB380

When the retail nabob died, someone asked "how much did he leave? --expecting some eight or even nine digit number. Instead, he got "all of it." The point: when we depart, we relinquish all claim to all property.

Opponents of estate taxation are fond of calling it "the death tax" -- a tax upon the departed. But that's not so: it's a tax on the heirs; it's really "the rich kids' tax." And it is perhaps the (and in my judgment, is) fairest tax. It takes nothing from the person who amassed it, and it still assures the passing of most of it to whomever that person, (or if will-less, the law), dictates. No-one is being deprived of something they owned.

A case could be made that except in cases where society benefits by assuring the continuation of some enterprise that otherwise might end, such as a family farm, or a small family business, it should all be taxed. After all, whether the decedents got it by skill, luck, gift, or chicanery, the gaining, any growing, and the retention of it was made possible not by any heir, but by the myriad benefits and protections they enjoyed as a resident of their community. The physical infrastructure they had the advantage of, The legal system that allowed their obtaining and retaining ownership via statute and government, rather than by physical force. The justice system that provided protection, and enabled them if necessary to use it to protect that ownership. But we do not do that; we guarantee that whoever they designate gets the vast majority of what they left.

The need to preserve the family farm and the small family business was taken care of, very nicely, years ago. Nothing is needed to improve it, and none of the proposed changes come close to doing so.

There is also very sound reasoning for a graduated -- that is a progressive -- rate. I have some news for folks who oppose progressive taxation: freedom, over time, cannot exist in a market economy if the distribution of wealth becomes so lopsided that the folks at the top control the levers of power over the community. In short, unless there is some system of redistribution of wealth, in the space of just a few generations it becomes an oligarchy. The rich kids tax is a small, and the fairest, way to address that.