

SB 380 and 3 other bills

Each of the estate tax bills before you would have significant negative impact on the General Fund. Jonathan Hart may have already estimated the price tag for each one. As it stands, the estate tax is expected to provide 2% of the General Fund budget for next biennium, \$700 million. These bills would cut away at that.

All of these bills were designed to benefit the heirs of estates in families with more than \$2,000,000 of assets.

We acknowledge that the exemption level hasn't changed in a nearly two decades. You could say we are underfunding estates.

We also are underfunding foster care, early childhood education, BOLI, water infrastructure and a host of other issues. But that doesn't mean you can't address this inheritance issue, just not with one of these bills.

None of the authors of these four bills asked your staff, the Legislative Revenue Office, to help design a revenue neutral change that acknowledges the lack of indexing and addresses other issues.

There is space for change. Our two neighboring states with an estate or inheritance tax – Washington and Hawaii – both have top rates of 20%, ours is 16%.

At the same time you address the base exemption level, we hope you will address other issues:

- easing portability,
- putting in place a Oregon gift tax,
- combining our two natural resource provisions into one.
- moving the estate tax out of the General Fund so that it doesn't help kick the kicker.

Perhaps it's time for a serious workgroup which will look at all of these issues.