

SB 1511-3

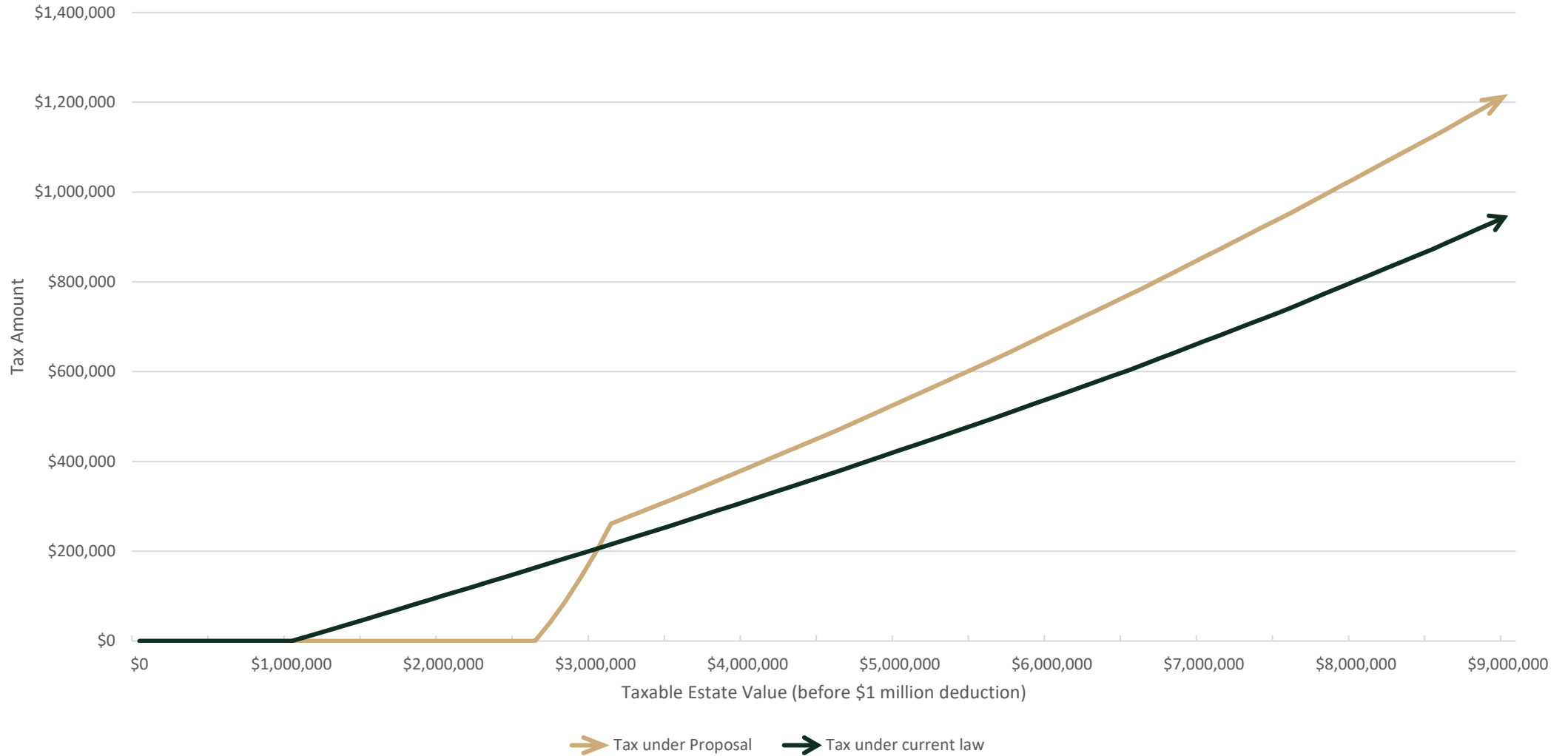
Estate Tax Amendment Summary

Senate Committee on Finance and Revenue

February 11, 2026



Estate Tax: 1511-3 compared to Current Law



SB 1511-3 Summary

- Estates less than \$2.5 million do not owe tax
- Estates at/over \$3 million = 100% tax from table
- Estates between \$2.5 million and \$3 million phase in tax from table
 - Tax is a percent of tax from table
 - \$2.5M = 0% of tax from table
 - \$2.6M = 20% of tax from table
 - ...
 - \$2.9M = 80% of tax from table
- Tax rates increased to make expected impact of policy minimal net revenue reduction in in fiscal year 2028
- \$2.5 million for start of tax phase-in is indexed to inflation starting in 2028 leading to revenue reductions in fiscal years 2029 and later

Phase-in tax from table starting at \$2.5 Million
 Full tax from table starting at \$3.0 Million
 Increase Rates to reduce revenue impact (starting 2027)

SB 1511-3 Proposal

| Taxable Estate (After Exclusion) | | | Tax Rate | Increase from Current Law |
|-------------------------------------|-----------|-----------|----------|------------------------------|
| - | to | 500,000 | 12.75% | 2.75% |
| 500,000 | to | 1,500,000 | 13.00% | 2.75% |
| 1,500,000 | to | 2,500,000 | 13.50% | 3.00% |
| 2,500,000 | to | 3,500,000 | 14.25% | 3.25% |
| 3,500,000 | to | 4,500,000 | 15.25% | 3.75% |
| 4,500,000 | to | 5,500,000 | 16.25% | 4.25% |
| 5,500,000 | to | 6,500,000 | 17.25% | 4.25% |
| 6,500,000 | to | 7,500,000 | 18.25% | 4.25% |
| 7,500,000 | to | 8,500,000 | 19.25% | 4.25% |
| 8,500,000 | and above | | 19.90% | 3.90% |

SB 1511-3 Proposal

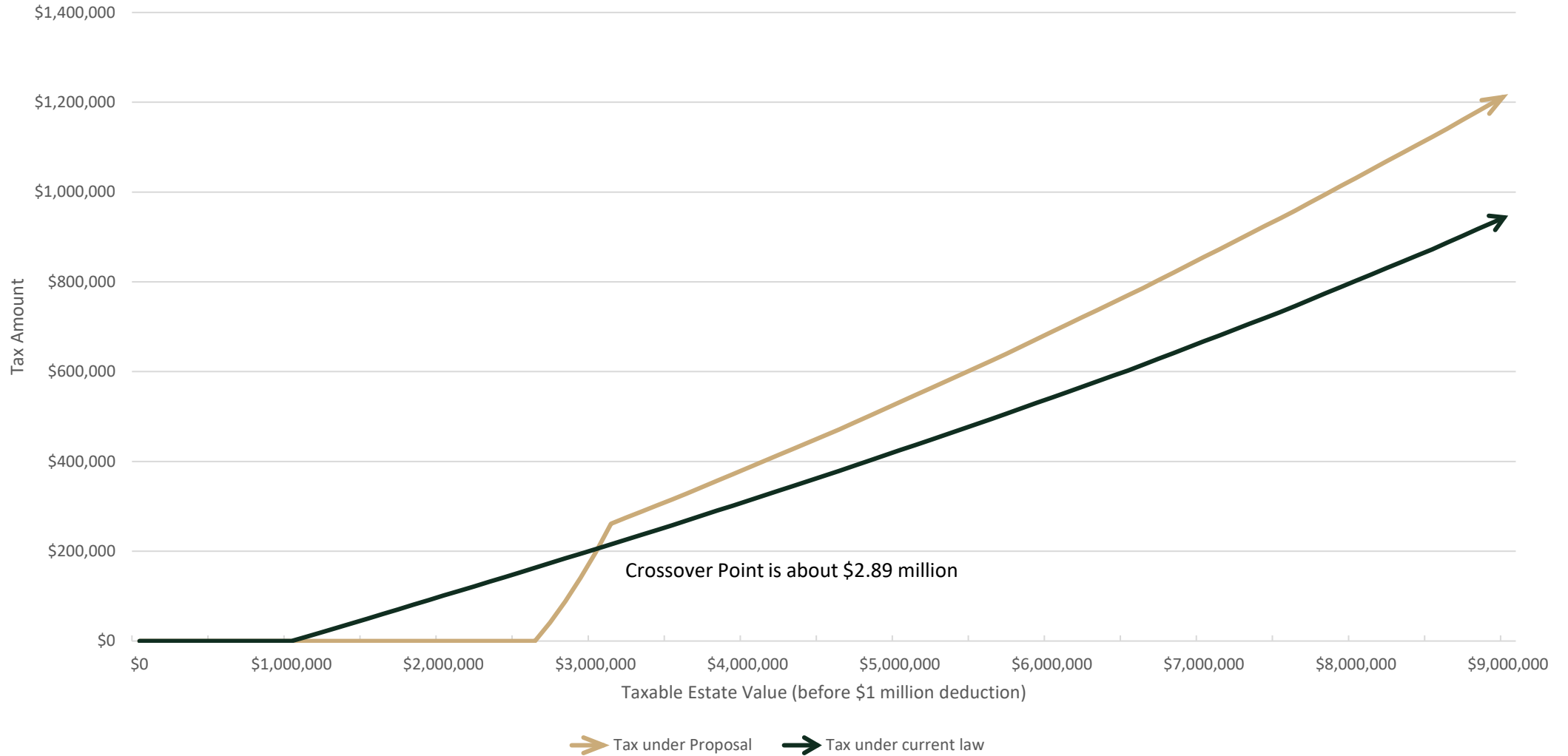
| Total Taxable Estate | Taxable Estate After Exclusion | Tax | Difference |
|-------------------------|-----------------------------------|-------------|-------------|
| \$1,500,000 | \$500,000 | \$0 | (\$50,000) |
| \$2,000,000 | \$1,000,000 | \$0 | (\$101,250) |
| \$2,750,000 | \$1,750,000 | \$113,750 | (\$65,000) |
| \$3,000,000 | \$2,000,000 | \$261,250 | \$56,250 |
| \$7,000,000 | \$6,000,000 | \$872,500 | \$205,000 |
| \$15,000,000 | \$14,000,000 | \$2,428,250 | \$525,750 |

Phase-in at 50%
for \$2.75 Million

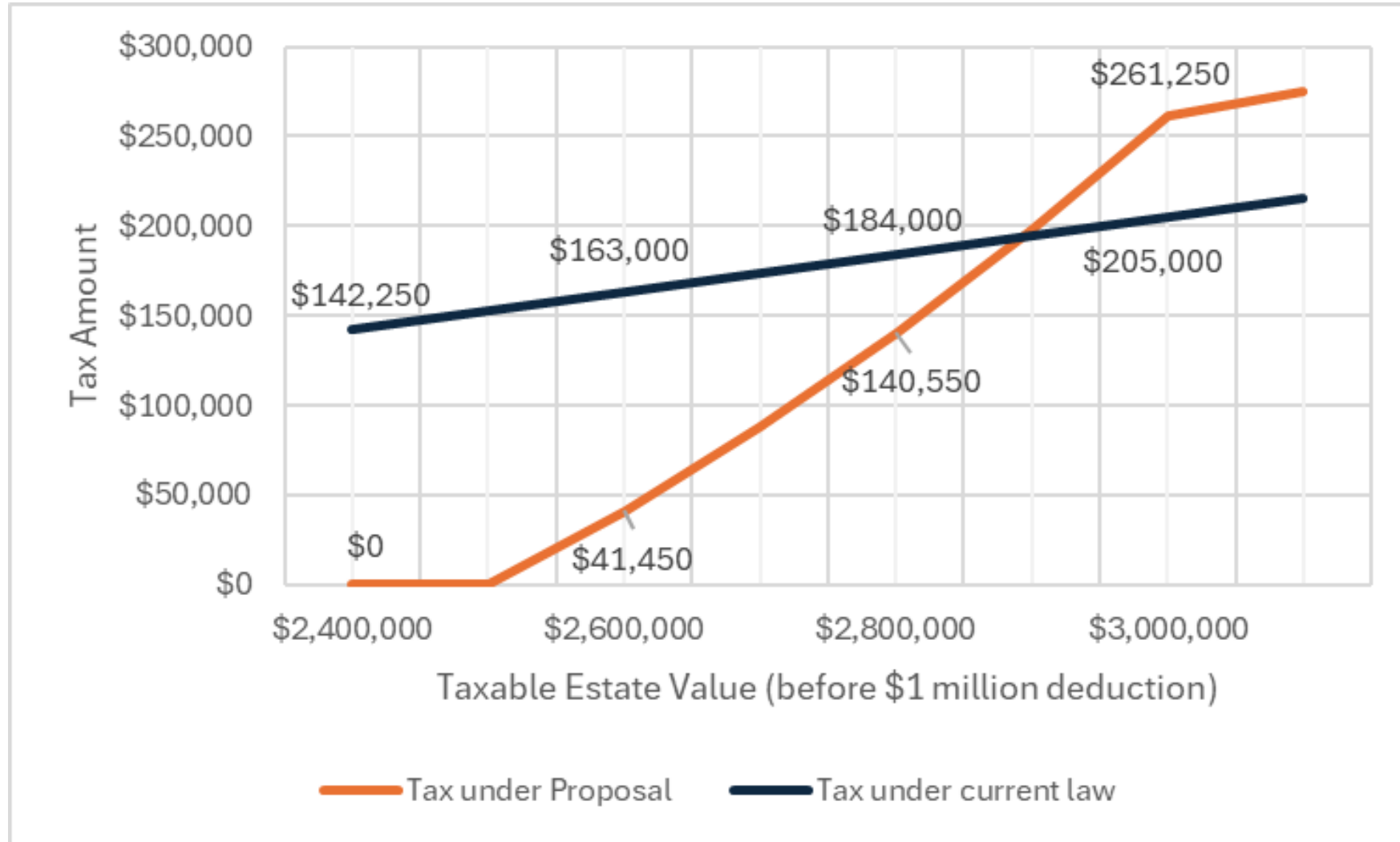
Current Law

| Total Taxable Estate | Taxable Estate After Exclusion | Tax |
|-------------------------|-----------------------------------|-------------|
| \$1,500,000 | \$500,000 | \$50,000 |
| \$2,000,000 | \$1,000,000 | \$101,250 |
| \$2,750,000 | \$1,750,000 | \$178,750 |
| \$3,000,000 | \$2,000,000 | \$205,000 |
| \$7,000,000 | \$6,000,000 | \$667,500 |
| \$15,000,000 | \$14,000,000 | \$1,902,500 |

Estate Tax: 1511-3 compared to Current Law



Estate Tax: 1511-3 Phase In Detail



Effects (based on 2023 Estate Tax Returns)

Reductions

- Eliminate filing requirement for estates under \$2.5 million gross value [Just over 2,000 Estates in 2023]
- Eliminate taxes for estates under \$2.5 million taxable value [About 1,400 Estates that paid tax in 2023]
- Reduce taxes for estates between \$2.5 million and \$2.89 million [About 110 Estates in 2023]
- Reductions total about 21% of tax liability in the first year
- Additional reduction from inflation adjustment.

Increases

- Increase tax for estates over \$2.89 million [About 460 Estates in 2023]
- Average Tax increase is about 27% for Estates that have an increase

Net Revenue Estimate (\$ millions)

| 2025-27 | 2027-29 | 2029-31 |
|--------------|---------|---------|
| minimal loss | -3.2 | -35.4 |

Thank You



Tax Year 2023 Oregon Estate Tax Returns

| Taxable Estate | Number of Returns | % of Returns | Total Tax (\$ million) | % of Tax |
|--------------------------|--------------------------|---------------------|-------------------------------|-----------------|
| a) Less than \$1 million | 923 | 29.5% | \$0.0 | 0.0% |
| b) 1m-1.5m | 1,003 | 32.0% | \$17.2 | 4.5% |
| c) 1.5m-2.5m | 634 | 20.2% | \$54.0 | 14.0% |
| d) 2.5m-3.5m | 244 | 7.8% | \$43.1 | 11.2% |
| e) 3.5m-4.5m | 107 | 3.4% | \$29.3 | 7.6% |
| f) 4.5m-5.5m | 70 | 2.2% | \$26.7 | 6.9% |
| g) 5.5m-6.5m | 40 | 1.3% | \$16.3 | 4.2% |
| h) 6.5m-7.5m | 13 | 0.4% | \$7.3 | 1.9% |
| i) 7.5m-9.5m | 33 | 1.1% | \$22.7 | 5.9% |
| j) more than 9.5m | 67 | 2.1% | \$167.9 | 43.7% |
| Total | 3,134 | 100% | \$384.6 | 100% |

Note that “% of Tax” column does not represent total reduction in tax if threshold were raised to that level for all estates. For instance, an increase in the threshold to \$1.5 million would have reduced taxes by an average of 23 percent between 2016 and 2022.

Estate Tax Forecast

Office of
Economic
Analysis

Most Recent Forecast (Q1 2026)
\$Millions

| FY2026 | FY2027 |
|--------|--------|
| 441 | 503.3 |

| FY2028 | FY2029 |
|--------|--------|
| 547.4 | 595.4 |

| FY2030 | FY2031 |
|--------|--------|
| 648.9 | 708.8 |