

SB 1511-3  
(LC 153)  
2/10/26 (CMT/ps)

Requested by SENATE COMMITTEE ON FINANCE AND REVENUE

**PROPOSED AMENDMENTS TO  
SENATE BILL 1511**

1 In line 2 of the printed bill, after “tax” insert “; creating new provisions;  
2 amending ORS 118.010 and 118.160; and prescribing an effective date”.

3 Delete lines 4 through 9 and insert:

4 **“SECTION 1.** ORS 118.010 is amended to read:

5 “118.010. (1) As used in this section:

6 “(a) ‘Nonresident decedent’ means an individual who is domiciled outside  
7 of Oregon on the date the individual dies.

8 “(b) ‘Resident decedent’ means an individual who is domiciled in Oregon  
9 on the date the individual dies.

10 “(2) A tax is imposed upon a transfer of the property of each:

11 “(a) Resident decedent; and

12 “(b) Nonresident decedent whose estate includes any interest in:

13 “(A) Real property located in Oregon; or

14 “(B) Tangible personal property located in Oregon.

15 “(3) The Oregon taxable estate to be used for purposes of computing the  
16 tax imposed under this section shall be the federal taxable estate:

17 “(a) Increased by:

18 “(A) The deduction for state estate, inheritance, legacy or succession  
19 taxes allowable under section 2058 of the Internal Revenue Code; and

20 “(B) If the decedent is a surviving spouse owning the property at death,  
21 the value of the following property unless included in the federal taxable

estate:

“(i) Property for which a deduction for Oregon special marital property under ORS 118.016 was previously allowed; or

“(ii) Property for which a separate Oregon election under section 2056 or 2056A of the Internal Revenue Code was previously allowed; and

“(b) Reduced by:

“(A) A deduction in the amount of \$1 million;

“[(A)] (B) The value on the date of the decedent’s death of all Oregon special marital property under ORS 118.013;

“[(B)] (C) The exemption allowed under ORS 118.145; and

“[(C)] (D) Any other applicable exclusions or deductions.

“(4) Notwithstanding subsection (5) of this section, a tax is not due under this chapter if the sum of the Oregon taxable estate plus \$1 million is less than or equal to the subject threshold set forth in subsection (6) of this section.

“[(4)] (5) The tax imposed under this section shall be calculated by applying the rates in the following table and applying the adjustment required by subsection (6) of this section. If the Oregon taxable estate is at least the amount in column 1, but less than the amount in column 2, the tax prior to any adjustment is the amount in column 3, increased by the excess above the amount in column 1 multiplied by the percentage in column 4:

“[ \_\_\_\_\_ ]

1	2	3	4
\$1,000,000	\$1,500,000	\$0	10.0%
1,500,000	2,500,000	50,000	10.25%
2,500,000	3,500,000	152,500	10.5%
3,500,000	4,500,000	257,500	11.0%
4,500,000	5,500,000	367,500	11.5%
5,500,000	6,500,000	482,500	12.0%

1	6,500,000	7,500,000	602,500	13.0%
2	7,500,000	8,500,000	732,500	14.0%
3	8,500,000	9,500,000	872,500	15.0%
4	9,500,000		1,022,500	16.0%

5 “[ \_\_\_\_\_ ]

6 “ \_\_\_\_\_

7	1	2	3	4
8	\$0	\$500,000	\$0	12.75%
9	500,000	1,500,000	63,750	13.00%
10	1,500,000	2,500,000	193,750	13.50%
11	2,500,000	3,500,000	328,750	14.25%
12	3,500,000	4,500,000	471,250	15.25%
13	4,500,000	5,500,000	623,750	16.25%
14	5,500,000	6,500,000	786,250	17.25%
15	6,500,000	7,500,000	958,750	18.25%
16	7,500,000	8,500,000	1,141,250	19.25%
17	8,500,000		1,333,750	19.90%

18 “ \_\_\_\_\_

19 “(6)(a) If the Oregon taxable estate plus \$1 million is at least equal  
20 to the subject threshold set forth in paragraph (b) of this subsection,  
21 but does not exceed the subject threshold by more than \$500,000, the  
22 tax imposed shall be the tax under the rates applied in subsection (5)  
23 of this section further adjusted by multiplying the result in subsection  
24 (5) of this section by a fraction. The numerator of the fraction shall  
25 be the Oregon taxable estate plus \$1 million, minus the subject  
26 threshold, and the denominator shall be \$500,000.

27 “(b) The subject threshold shall be \$2.5 million, and shall be ad-  
28 justed as provided in subsection (7) of this section.

29 “(7)(a) The Department of Revenue shall annually adjust the subject  
30 threshold in subsection (6) of this section according to the cost-of-

1 living adjustment for the calendar year. The department shall make  
2 this adjustment by multiplying \$2.5 million by the percentage, if any,  
3 by which the monthly averaged U.S. City Average Consumer Price  
4 Index for the 12 consecutive months ending August 31 of the prior  
5 calendar year exceeds the monthly averaged U.S. City Average Con-  
6 sumer Price Index for the 12 consecutive months ending August 31,  
7 2026.

8 “(b) As used in this subsection, ‘U.S. City Average Consumer Price  
9 Index’ means the U.S. City Average Consumer Price Index for All Ur-  
10 ban Consumers (All Items) as published by the Bureau of Labor Sta-  
11 tistics of the United States Department of Labor.

12 “[5)(a)] (8)(a) In the case of a resident decedent owning, on the date of  
13 the decedent’s death, real property located outside Oregon or tangible per-  
14 sonal property located outside Oregon, the tax imposed under this section  
15 shall be the amount determined under [subsection (4)] subsections (5) and  
16 (6) of this section multiplied by a ratio.

17 “(b) The numerator of the ratio:

18 “(A) Shall be the sum of the value of the decedent’s real property located  
19 in Oregon, tangible personal property located in Oregon and intangible per-  
20 sonal property.

21 “(B) May not include any intangible personal property subject to a tax  
22 imposed, as a result of the death of the decedent, by another state or country.

23 “(C) May not include the value of the exemption allowed under ORS  
24 118.145.

25 “(c) The denominator of the ratio shall be the total value of the  
26 decedent’s gross estate, less the value of the exemption allowed under ORS  
27 118.145.

28 “[6)] (9) In the case of a nonresident decedent owning, on the date of the  
29 decedent’s death, real property located in Oregon or tangible personal prop-  
30 erty located in Oregon, the tax imposed under this section shall be the

1 amount determined under [*subsection (4)*] **subsections (5) and (6)** of this  
2 section multiplied by a ratio. The numerator of the ratio shall be the sum  
3 of the value of the decedent's real property located in Oregon and tangible  
4 personal property located in Oregon, less the value of the exemption allowed  
5 under ORS 118.145. The denominator shall be the total value of the  
6 decedent's gross estate, less the value of the exemption allowed under ORS  
7 118.145.

8 “[~~(7)~~] **(10)** Payment, in whole or in part, of estate taxes from funds of an  
9 estate or trust on any benefit subject to tax under ORS 118.005 to 118.540 is  
10 not to be considered a further taxable benefit, when such payment is directed  
11 by the decedent's will or by a trust agreement.

12 “[~~(8)(a)~~] **(11)(a)** If the federal taxable estate is determined by making an  
13 election under section 2031(c), 2032, 2032A, 2056 or 2056A of the Internal  
14 Revenue Code or another provision of the Internal Revenue Code, or if a  
15 federal estate tax return is not required under the Internal Revenue Code,  
16 an executor may make separate elections for state estate tax purposes under  
17 that same provision.

18 “(b) An executor may make elections under ORS 118.013, 118.140 and  
19 118.145 and section 2056 of the Internal Revenue Code for state estate tax  
20 purposes.

21 “(c) Elections described in this subsection are irrevocable.

22 **“SECTION 2.** ORS 118.160 is amended to read:

23 “118.160. (1) Except as provided in subsection (2) of this section:

24 “(a) An inheritance tax return is not required with respect to the estates  
25 of decedents who die on or after January 1, 1987, and before January 1, 2003,  
26 unless a federal estate tax return is required to be filed;

27 “(b) An inheritance tax return is not required with respect to the estates  
28 of decedents who die on or after:

29 “(A) January 1, 2003, and before January 1, 2004, unless the value of the  
30 gross estate is \$700,000 or more;

1 “(B) January 1, 2004, and before January 1, 2005, unless the value of the  
2 gross estate is \$850,000 or more;

3 “(C) January 1, 2005, and before January 1, 2006, unless the value of the  
4 gross estate is \$950,000 or more; or

5 “(D) January 1, 2006, and before January 1, 2012, unless the value of the  
6 gross estate is \$1 million or more; and

7 “(c) An estate tax return is not required with respect to the estates of  
8 decedents who die on or after:

9 “(A) January 1, 2012, and before January 1, 2027, unless the value of  
10 the gross estate is \$1 million or more[.]; or

11 “(B) January 1, 2027, unless the value of the gross estate is \$2.5  
12 million or more.

13 “(2)(a) The Department of Revenue shall annually adjust the filing  
14 threshold applicable to estates of decedents dying on or after January  
15 1, 2027, according to the cost-of-living adjustment for the calendar  
16 year. The department shall make this adjustment by multiplying \$2.5  
17 million by the percentage, if any, by which the monthly averaged U.S.  
18 City Average Consumer Price Index for the 12 consecutive months  
19 ending August 31 of the prior calendar year exceeds the monthly av-  
20 eraged U.S. City Average Consumer Price Index for the 12 consecutive  
21 months ending August 31, 2026.

22 “(b) As used in this subsection, ‘U.S. City Average Consumer Price  
23 Index’ means the U.S. City Average Consumer Price Index for All Ur-  
24 ban Consumers (All Items) as published by the Bureau of Labor Sta-  
25 tistics of the United States Department of Labor.

26 “[2)] (3) In every estate, whether or not subject to administration and  
27 whether or not a federal estate tax return is required to be filed, the execu-  
28 tor shall at such times and in such manner as required by rules of the De-  
29 partment of Revenue, file with the department a return in a form provided  
30 by the department setting forth a list and description of all transfers of

1 property, in trust or otherwise, made by the decedent in the lifetime of the  
2 decedent as a division or distribution of the estate of the decedent and any  
3 further data that the department requires to determine estate tax under this  
4 chapter.

5 **“SECTION 3. Notwithstanding ORS 315.037, the amendments to ORS**  
6 **118.010 and 118.160 by sections 1 and 2 of this 2026 Act apply to the es-**  
7 **tates of all decedents who die on or after January 1, 2027.**

8 **“SECTION 4. This 2026 Act takes effect on the 91st day after the**  
9 **date on which the 2026 regular session of the Eighty-third Legislative**  
10 **Assembly adjourns sine die.”.**

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