

Requested by Representative MANNIX

**PROPOSED AMENDMENTS TO  
A-ENGROSSED SENATE BILL 1511**

1 On page 1 of the printed A-engrossed bill, delete lines 5 through 22 and  
2 delete pages 2 through 5 and insert:

3 **“SECTION 1. Section 2 of this 2026 Act is added to and made a part**  
4 **of ORS chapter 118.**

5 **“SECTION 2. (1) A decedent who is a surviving spouse is allowed**  
6 **an exclusion amount if:**

7 **“(a) The Oregon taxable estate of the prior deceased spouse of the**  
8 **decedent did not exceed \$2.5 million; and**

9 **“(b) Notwithstanding ORS 118.160, and not later than 12 months**  
10 **after the death of the prior deceased spouse, the executor of the estate**  
11 **of the prior deceased spouse files a return as provided in ORS 118.100**  
12 **stating the amount of the exclusion.**

13 **“(2) The exclusion amount claimed under this section may not ex-**  
14 **ceed \$2.5 million and shall be calculated by subtracting the Oregon**  
15 **taxable estate of the prior deceased spouse from \$2.5 million.**

16 **“(3) The Department of Revenue may by rule extend the time for**  
17 **filing a return as provided under subsection (1)(b) of this section.**

18 **“SECTION 3. ORS 118.010 is amended to read:**

19 **“118.010. (1) As used in this section:**

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

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

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

4 “(a) Resident decedent; and

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

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

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

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

10 “(a) Increased by:

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

13 “(B) If the decedent is a surviving spouse owning the property at death,  
14 the value of the following property unless included in the federal taxable  
15 estate:

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

18 “(ii) Property for which a separate Oregon election under section 2056 or  
19 2056A of the Internal Revenue Code was previously allowed; and

20 “(b) Reduced by:

21 “(A) **An exemption in the amount of \$2.5 million;**

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

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

25 “(D) **The deceased spousal unused exclusion amount allowed under  
26 section 2 of this 2026 Act; and**

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

28 “(4) The tax imposed under this section shall be **imposed at a rate of**  
29 **10 percent.** *[calculated by applying the rates in the following table. If the*  
30 *Oregon taxable estate is at least the amount in column 1, but less than the*

1 amount in column 2, the tax is the amount in column 3, increased by the excess  
2 above the amount in column 1 multiplied by the percentage in column 4:]

3 “[ \_\_\_\_\_ ]

4	1	2	3	4
5	\$1,000,000	\$1,500,000	\$0	10.0%
6	1,500,000	2,500,000	50,000	10.25%
7	2,500,000	3,500,000	152,500	10.5%
8	3,500,000	4,500,000	257,500	11.0%
9	4,500,000	5,500,000	367,500	11.5%
10	5,500,000	6,500,000	482,500	12.0%
11	6,500,000	7,500,000	602,500	13.0%
12	7,500,000	8,500,000	732,500	14.0%
13	8,500,000	9,500,000	872,500	15.0%
14	9,500,000		1,022,500	16.0%

15 “[ \_\_\_\_\_ ]

16 “(5)(a) In the case of a resident decedent owning, on the date of the  
17 decedent’s death, real property located outside Oregon or tangible personal  
18 property located outside Oregon, the tax imposed under this section shall be  
19 the amount determined under subsection (4) of this section multiplied by a  
20 ratio.

21 “(b) The numerator of the ratio:

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

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

27 “(C) May not include the value of the exemption allowed under ORS  
28 118.145.

29 “(c) The denominator of the ratio shall be the total value of the  
30 decedent’s gross estate, less the value of the exemption allowed under ORS

1 118.145.

2 “(6) In the case of a nonresident decedent owning, on the date of the  
3 decedent’s death, real property located in Oregon or tangible personal prop-  
4 erty located in Oregon, the tax imposed under this section shall be the  
5 amount determined under subsection (4) of this section multiplied by a ratio.  
6 The numerator of the ratio shall be the sum of the value of the decedent’s  
7 real property located in Oregon and tangible personal property located in  
8 Oregon, less the value of the exemption allowed under ORS 118.145. The de-  
9 nominator shall be the total value of the decedent’s gross estate, less the  
10 value of the exemption allowed under ORS 118.145.

11 “(7) Payment, in whole or in part, of estate taxes from funds of an estate  
12 or trust on any benefit subject to tax under ORS 118.005 to 118.540 is not to  
13 be considered a further taxable benefit, when such payment is directed by the  
14 decedent’s will or by a trust agreement.

15 “(8)(a) If the federal taxable estate is determined by making an election  
16 under section 2031(c), 2032, 2032A, 2056 or 2056A of the Internal Revenue  
17 Code or another provision of the Internal Revenue Code, or if a federal es-  
18 tate tax return is not required under the Internal Revenue Code, an executor  
19 may make separate elections for state estate tax purposes under that same  
20 provision.

21 “(b) An executor may make elections under ORS 118.013, 118.140 and  
22 118.145 **and section 2 of this 2026 Act** and section 2056 of the Internal  
23 Revenue Code for state estate tax purposes.

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

25 “**SECTION 4.** ORS 118.160 is amended to read:

26 “118.160. (1) Except as provided in subsection (2) of this section:

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

30 “(b) An inheritance tax return is not required with respect to the estates

1 of decedents who die on or after:

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

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

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

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

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

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

14 “(B) July 1, 2027, unless the value of the gross estate is \$2.5 million  
15 or more.

16 “(2) In every estate, whether or not subject to administration and whether  
17 or not a federal estate tax return is required to be filed, the executor shall  
18 at such times and in such manner as required by rules of the Department  
19 of Revenue, file with the department a return in a form provided by the de-  
20 partment setting forth a list and description of all transfers of property, in  
21 trust or otherwise, made by the decedent in the lifetime of the decedent as  
22 a division or distribution of the estate of the decedent and any further data  
23 that the department requires to determine estate tax under this chapter.

24 “**SECTION 5. Notwithstanding ORS 315.037, section 2 of this 2026**  
25 **Act and the amendments to ORS 118.010 and 118.160 by sections 3 and**  
26 **4 of this 2026 Act apply to the estates of all decedents who die on or**  
27 **after July 1, 2027.**

28 “**SECTION 6. This 2026 Act takes effect on the 91st day after the**  
29 **date on which the 2026 regular session of the Eighty-third Legislative**  
30 **Assembly adjourns sine die.”.**

