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Oregon Estate Tax Reform – Senate Bill 1511 and the -3 Amendment

Chair Broadman, Vice-Chair McLane, and members of the Senate Committee on Finance and Revenue, my name is Kevin Christiansen and I am the government affairs director for the Oregon Bankers Association ("OBA") and Community Banks of Oregon ("CBO"). Our organizations represent the diverse FDIC insured banks and trust companies doing business in Oregon. The banking industry employs nearly 20,000 Oregonians at approximately 800 locations throughout the state. Thank you for the opportunity to testify on Senate Bill 1511 as amended by the -3 amendment.

We applaud the committee for holding a public hearing on the important issue of estate tax reform. Reforming Oregon's estate tax is needed to stem the tide of individuals and small business owners leaving Oregon to avoid this tax. Oregon's current exemption of \$1 million, which is not indexed for inflation and has not been updated in years, is a burden for small family businesses and also acts as a disincentive for many of those businesses to remain in the state. Oregon is surrounded by states without the tax, such as California, Nevada, and Idaho, or that have a higher exemption like Washington.

As you have heard, Oregon is an outlier when it comes to estate taxes. The Tax Foundation reports that only 12 states and the District of Columbia still have an estate tax. In an October, 2025 article titled, "[17 States With Scary Estate and Inheritance Taxes](#)", Kiplinger once again ranked Oregon "the worst place in the U.S. to die if you're concerned about estate taxes." The article noted that "In addition to taxing estates valued at as little as \$1 million, Oregon imposes a relatively high minimum tax rate of 10% on even the smallest of qualifying estates."

While we appreciate and encourage continuing estate tax reform discussions, the -3 amendment does not adequately address Oregon's estate tax challenge. This exemption adjustment, while moving in a positive direction, is still lower than the exemption in Washington. And, unfortunately, the proposal also raises the tax rates for those subject to the tax, which were already significantly higher than Oregon's income tax rates. While attempting to address one problem, protecting those with smaller estates, it incentivizes further out-migration of retirees and business owners for those who cross the \$2.5 million threshold. As proposed, the amendment discourages family and business continuity in Oregon, and would likely lead to even more taxpayers choosing to leave our state.

While we oppose SB 1511 as amended by the -3 amendment, we stand ready to engage with the Legislature in finding solutions to this important issue. Thank you for the opportunity to testify. If you have questions, please contact John Powell at (503) 510-8758 or Kevin Christiansen at (503) 576-4123.