

Written Testimony in Support of Senate Bill 1511

Chair and Members of the Committee:

My name is Wayne Mercado, and I respectfully submit this testimony in support of **Senate Bill 1511**.

SB 1511 represents a thoughtful and balanced modernization of Oregon's estate tax. For too long, Oregon's estate tax exemption has remained fixed at \$1 million — a threshold that no longer reflects today's economic reality. Home values, small business valuations, farmland, and retirement assets have all grown substantially over the past two decades. As a result, estates that would once have been considered modest are now swept into a tax structure never designed with today's asset levels in mind.

SB 1511 corrects that imbalance.

By increasing the estate tax exemption to \$2.5 million and indexing it to inflation going forward, the bill ensures that the tax keeps pace with economic growth rather than quietly expanding its reach over time. This protects middle-class families, family-owned businesses, and agricultural operations from unintended tax burdens caused primarily by asset appreciation rather than extraordinary wealth.

At the same time, SB 1511 preserves Oregon's commitment to tax fairness. Larger estates will continue to contribute to the state's revenues under an updated and more transparent rate structure. In other words, the bill provides relief where it is warranted while maintaining progressivity where appropriate.

The bill also wisely directs the Legislative Revenue Officer to conduct a formal study of Oregon's estate tax system and report back to the Legislature. This ensures that future policy decisions are guided by data, economic analysis, and long-term fiscal considerations rather than anecdote or short-term pressures. That deliberate approach strengthens both fiscal responsibility and public trust.

SB 1511 accomplishes three important goals:

1. **Modernization** — updating outdated thresholds to reflect today's economy.
2. **Fairness** — reducing unintended tax burdens on moderate-wealth estates while maintaining progressive taxation for larger estates.
3. **Stability** — indexing thresholds to inflation and commissioning a study to inform future reforms.

Oregon is one of a small number of states that maintains a stand-alone estate tax with a relatively low exemption threshold. Modernizing this policy helps keep Oregon

competitive, supports family continuity, and provides greater certainty for estate planning — without abandoning the state's revenue needs.

For these reasons, I respectfully urge your support for SB 1511.

Thank you for your consideration.

Wayne Mercado
Lake Oswego, Oregon