

March 2, 2026

The Honorable Nancy Nathanson
State Representative
Chair, House Committee on Revenue
State Capitol, H-279
Salem, Oregon 97301

RE: 2026 Senate Bill 1511 A Testimony

Dear Madam Chair:

I write to you neither in support of nor in opposition to 2026 Senate Bill 1511 A, but rather to urge you to simplify the calculation of the tax thereunder for Oregonians with adjusted estates between \$2,500,000 and \$3,000,000.

I am an estate planning attorney in Bend, Oregon with my own firm practicing exclusively in that area. I have focused my practice exclusively on estate planning and administration for my entire career, beginning in 2013. Generally my clients run the gamut and include both taxable and non-taxable couples and individuals—with and without children.

Currently I am a member of the Oregon State Bar Estate Planning Section, Taxation Section, Elder Law Section, and Solo & Small Firm Section as well as the Central Oregon Estate Planning Council, Dartmouth Lawyers Association, and Deschutes County Bar Association. Before practicing, I graduated summa cum laude from Lewis & Clark Law School and previously studied at Dartmouth College graduating with an A.B. in Astronomy and Film & Television Studies.

Again, I submit this testimony to urge you to to simplify the calculation of the tax for Oregonians with adjusted estates between \$2,500,000 and \$3,000,000. The bill as currently amended defines “Oregon taxable estate” as the adjusted federal taxable estate reduced by a deduction of \$1,000,000. However, no Oregonian would pay any estate tax until their estate grew to beyond the “subject threshold,” which is initially defined as \$2,500,000 and in future years is pegged to inflation. Thus in effect the actual taxable amount is really the amount over \$2,500,000, not the amount over \$1,000,000. For the first \$500,000 of that taxable amount (again, that amount over \$2,500,000), the calculation of the tax is convoluted. This is the mathematical formula to calculate the amount in that bracket where "Estate" is the adjusted federal taxable estate (not reduced by \$1,000,000):

Amount of Tax = $(193750 + (\text{Estate} - 2500000) \times 0.135) \times ((\text{Estate} - 2500000) / 500000)$

And here is a table of the calculation of the actual tax at \$25,000 intervals from \$2,500,000 to \$3,000,000:

Estate	Actual Taxable Amount	Tax	Rate on Actual Taxable Amount	Marginal Rate on Previous Interval
\$2,500,000	\$0	\$0	0.00%	0.00%
\$2,500,001	\$1	\$0.39	38.75%	38.75%
\$2,525,000	\$25,000	\$9,856	39.43%	39.43%
\$2,550,000	\$50,000	\$20,050	40.10%	40.78%
\$2,575,000	\$75,000	\$30,581	40.78%	42.13%
\$2,600,000	\$100,000	\$41,450	41.45%	43.48%
\$2,625,000	\$125,000	\$52,656	42.13%	44.83%
\$2,650,000	\$150,000	\$64,200	42.80%	46.18%
\$2,675,000	\$175,000	\$76,081	43.48%	47.53%
\$2,700,000	\$200,000	\$88,300	44.15%	48.88%
\$2,725,000	\$225,000	\$100,856	44.83%	50.23%
\$2,750,000	\$250,000	\$113,750	45.50%	51.58%
\$2,775,000	\$275,000	\$126,981	46.18%	52.93%
\$2,800,000	\$300,000	\$140,550	46.85%	54.28%
\$2,825,000	\$325,000	\$154,456	47.53%	55.63%
\$2,850,000	\$350,000	\$168,700	48.20%	56.98%
\$2,875,000	\$375,000	\$183,281	48.88%	58.33%
\$2,900,000	\$400,000	\$198,200	49.55%	59.68%
\$2,925,000	\$425,000	\$213,456	50.23%	61.03%
\$2,950,000	\$450,000	\$229,050	50.90%	62.38%
\$2,975,000	\$475,000	\$244,981	51.58%	63.73%
\$3,000,000	\$500,000	\$261,250	52.25%	65.08%

The tax table in the bill reads as follows (removing the \$1,000,000 deduction for clarity):

Estate More Than	Estate Less Than or Equal To	Base Tax	Rate of Additional Tax in This Bracket
\$1,000,000	\$1,500,000	\$0	12.75%
\$1,500,000	\$2,500,000	\$63,750	13.00%
\$2,500,000	\$3,500,000	\$193,750	13.50%

Estate More Than	Estate Less Than or Equal To	Base Tax	Rate of Additional Tax in This Bracket
\$3,500,000	\$4,500,000	\$328,750	14.25%
\$4,500,000	\$5,500,000	\$471,250	15.25%
\$5,500,000	\$6,500,000	\$623,750	16.25%
\$6,500,000	\$7,500,000	\$786,250	17.25%
\$7,500,000	\$8,500,000	\$958,750	18.25%
\$8,500,000	\$9,500,000	\$1,141,250	19.25%
\$9,500,000		\$1,333,750	19.90%

But if your estate is less than \$3,000,000, to arrive at your actual tax you must apply the phase in and subject threshold calculations detailed elsewhere in the bill. This entire calculation is needlessly convoluted and complex.

The structure of the tax could easily be greatly simplified to reflect the underlying numbers in a more straightforward fashion, while mathematically achieving essentially the same result:

- Make the deduction \$2,500,000 rather than \$1,000,000;
- Add a bracket for \$0–\$250,000 of 44.5%;
- Add a bracket for \$250,000–\$500,000 of 60%; and
- Reduce the threshold for the remaining brackets by \$1,500,000.

Implementing these changes would result in the following simplified structure, with effectively close to the same amount of tax on the same size of estate:

Estate More Than	Estate Less Than or Equal To	Base Tax	Rate of Additional Tax in This Bracket
\$2,500,000	\$2,750,000	\$0	44.5%
\$2,750,000	\$3,000,000	\$111,250	60%
\$3,000,000	\$3,500,000	\$261,250	13.50%
\$3,500,000	\$4,500,000	\$328,750	14.25%
\$4,500,000	\$5,500,000	\$471,250	15.25%
\$5,500,000	\$6,500,000	\$623,750	16.25%
\$6,500,000	\$7,500,000	\$786,250	17.25%
\$7,500,000	\$8,500,000	\$958,750	18.25%
\$8,500,000	\$9,500,000	\$1,141,250	19.25%
\$9,500,000		\$1,333,750	19.90%

I urge you to please consider these or similar changes to reduce the complexity of the tax calculation and simplify this bill.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'JCB', with a long horizontal flourish extending to the right.

James C. Bartholomew