



### **Oregon Estate Tax Reform – Senate Bill 1511A**

Chair Nathanson, Vice-Chair Reschke, Vice-Chair Walters, and members of the House Committee on 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 provide written testimony on Senate Bill 1511A.

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.”

We appreciate and encourage continuing estate tax reform discussions; however, SB 1511A does not adequately address Oregon’s estate tax challenges. First, the exemption adjustment, while moving in a positive direction, is still lower than the exemption in Washington. Further, if enacted, Oregon would move from the lowest estate tax exemption in the country up only two places passing Rhode Island and Massachusetts. Suffice it to say, a \$2.5 million exemption threshold is very low especially when measuring the value of most small family businesses.

Second, the bill substantially increases the tax rates for those responsible for paying the estate tax. These new rates are significantly higher than Oregon’s current income tax rates. They are a substantial increase and will only serve to incentivize more Oregonians and small business owners to leave the state. Along with lost small business tax revenue, Oregon will shed jobs and tax revenue that would be generated by these jobs.

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. Oregon can ill-afford this approach.

While we oppose SB 1511A, 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.