



SB 380 – Estate Tax Exemption Changes

Senate Finance and Revenue – Jody Wiser – 2.12.2025

The Tax Fairness Oregon steering committee has discussed the various estate tax bills before your committee today. We can't support any of these bills as written. We would support a modest increase in the exemption, if it is paid for within the construction of the bill. It must be revenue neutral.

As we understand it, if the \$1 million exemption is adjusted for inflation since it was established, it would reduce revenue about 23%, which means the bill would have to raise that amount by modifying the rates or other factors to make the bill revenue neutral.

We take this position not just because the state has many problems to solve. We, as an organization, were founded on the recognition that, due to tax policies and other changes, income and wealth inequality has steadily increased over the last 50 years. Many of the problems Oregon is facing today - lack of affordable housing, homelessness, and high cost of education and medical care – are the direct result of increasing inequality. Increasing inequality is not the only reason. But if the problems would be a lot more manageable, and less expensive to address, if incomes and wealth were only as unequal as they were 50 years ago.

One way to make the change revenue-neutral would be to change the rate structure. Our neighbors in Washington State and Hawaii have a top rate of 20%, not our 16%.

In addition, there are other changes that we believe are needed, some of which may contribute to revenue-neutrality:

- Establish a gift tax, a typical companion tax to prevent estate tax avoidance
- Improve portability of the exemption of the first to die,
- Combine the best elements of the two natural resource provisions into one sensible one.

Each of these is more critical than raising the exemption.

Thank you for your attention. Our members feel strongly about this issue and a number have submitted separate testimony. We appreciate the opportunity to help craft a more efficient, sustainable estate tax.

We read the bills and follow the money