

HOUSE AMENDMENTS TO HOUSE BILL 3479

By COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

May 4

1 In line 6 of the printed bill, after “means” insert “real property, as defined in ORS 307.010,
2 lawfully qualified, at the decedent’s death, for designation as”.

3 In line 7, delete “Land employed in” and delete “not to exceed 5,000 acres” and insert “or as
4 one or more farm use homesites, as defined in ORS 308A.250, related to that real property”.

5 In line 8, delete “321.005” and insert “321.201, or as one or more forestland homesites, as defined
6 in ORS 308A.250, related to that real property”.

7 In line 13, delete “, including but not limited to fish”.

8 In line 14, delete “processing operations” and insert “and any property used in processing or
9 marketing of the product of those commercial fishing operations”.

10 In line 19, after “A” insert “natural or adopted”.

11 In line 20, after “A” insert “natural or adopted” and delete “or”.

12 In line 21, after “A” insert “natural or adopted” and delete the period and insert “; or

13 “(e) A natural or adopted niece or nephew of the decedent.

14 “(4)(a) For each calendar year beginning on or after January 1, 2009, the Department of Revenue
15 shall recompute the maximum excluded value of the gross estate provided for in subsection (2) of
16 this section by the change in the cost of living, if any. The computation shall be as follows:

17 “(A) Divide the average U.S. City Average Consumer Price Index for the 12 consecutive months
18 ending January 1 of the calendar year prior to the calculation by the average U.S. City Average
19 Consumer Price Index for the calendar year 2007.

20 “(B) Multiply \$7.5 million by the indexing factor determined as provided in subparagraph (A) of
21 this paragraph.

22 “(b) As used in this subsection, ‘U.S. City Average Consumer Price Index’ means the U.S. City
23 Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of
24 Labor Statistics of the United States Department of Labor.

25 “(c) If any change in the maximum excluded value of the gross estate determined under para-
26 graph (a) of this subsection is not a multiple of \$500, the change shall be rounded to the nearest
27 \$500.

28 “(5)(a) If property initially excluded from the value of a gross estate as natural resource prop-
29 erty under this section is not then used as natural resource property for at least five out of the eight
30 calendar years following the decedent’s death or is disposed of by the transferee other than by dis-
31 position to another family member who is eligible for the exclusion allowed under this section, an
32 additional tax under ORS 118.005 to 118.840 shall be imposed.

33 “(b) The additional tax liability shall be an amount that is no greater than the amount of addi-
34 tional taxes that would have been due had the property been included in the gross estate, but at
35 least the amount of such additional taxes multiplied by ((five minus the number of years the property

1 was used as natural resource property) divided by five). The additional tax liability shall be appor-
2 tioned to the estate for any time period prior to transfer and apportioned to the transferee for any
3 time period thereafter.

4 “(c) Prior to the transfer of property treated as natural resource property under this section,
5 the executor or the decedent shall notify the transferee of the potential for tax consequences to the
6 transferee if the transferee fails to meet the conditions of paragraph (a) of this subsection. The
7 transferee’s written acknowledgment of this notice shall be attached to the inheritance tax return.

8 “(6) The Department of Revenue shall adopt rules consistent with those adopted under section
9 2032A of the Internal Revenue Code, as that section was amended and in effect on December 31,
10 2006, to administer this section.”.

11 In line 22, delete “the”.

12 In line 23, delete “effective date of this 2007 Act” and insert “January 1, 2007”.

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