

**REVENUE IMPACT OF
PROPOSED LEGISLATION
75th Oregon Legislative Assembly
2009 Regular Session
Legislative Revenue Office**

Bill Number:	HB 2308
Revenue Area:	Estate Tax
Economist:	Mazen Malik
Date:	3/23/09

Measure Description: Allows a trustee, personal representative or executor to apply to the Oregon Department of Revenue for a determination of the amount of inheritance tax owed. Following payment, allows for a discharge from further tax liability to be issued.

Revenue Impact:

The potential impact of this measure stems from the current adjustments taking place in the process of implementing the law changes of 2007 and 2008 sessions. This process is extending the time for some estates to close. As more information is needed before the determination of impact is made, this bill, however, is referred to the revenue committee by prior reference, where this information will be further researched.

Impact Explanation:

Oregon is connected to federal tax law known as "Taxpayer Relief Act of 1997". Oregon has not adopted the 2001 federal law changes included in the Economic Growth and Tax Reconciliation Act. For deaths occurring since 2002, the gross estate value filing threshold is \$1 million, the same as the federal filing threshold under EGTRRA.

The 2007 session attempted to preserve family owned farms, fishing business and small forest owners, by increasing the threshold for these estates to \$7.5 million. However, HB 3201 faced difficulties in the implementation phase. The February 2008 session, introduced a credit schedule for the small family owned natural resource properties. The credit increases proportionally in HB 3618 to reach the maximum at tax amount due for the \$7.5 million properties, then declines gradually to \$0 at the \$15 million mark. It is not clear if this measure allows enough time for the new changes in law to be completely worked into the process.

Creates, Extends, or Expands Tax Expenditure: Yes No