

Testimony against HB 2541

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I am here to speak against HB 2541. If the proposed bill had been law in 2009 when my mother died, the tax on her estate would have been significantly reduced by the increase in the threshold of tax liability from \$1,000,000 to \$1,500,000. I am here to tell you that neither my mother nor I, as her principal heir, would have wanted that to happen.

My mother grew up in a prosperous middle class family that was broken apart by the Depression. She knew firsthand some of the hardships that swept over the country, and she was well aware that millions of other Americans had suffered much more than she. She was both grateful and proud of the system of social insurance and other economic reforms created by the New Deal to protect Americans from the ravages of a poorly regulated economic system.

After my father was killed in the War, she moved us from the East to the West Coast because she knew that the systems of public institutions out here were much better developed than back East, especially the public colleges and universities.

Those public universities enabled her to earn her BA and then a professional degree in librarianship. That allowed us, with plenty of scrimping and saving, to have a comfortable middle class life. Thanks to her considerable knowledge of the business world, a good pension, and some fortunate investments in real estate, she had accumulated an estate worth several million dollars when she died. Before she died, she had employed a highly qualified attorney to create an estate plan. But I never heard her complain about the taxes she had to pay, and she would never have considered hiring a lobbyist to change the tax laws in her favor. She was deeply committed to a progressive system of taxation including estate taxes, because it was a way for our government to check the concentration of wealth and power that had caused so much damage to our country in the past.

I'm sure you have heard from the other side that the \$1 million threshold for estate taxes is out of date because inflation has reduced the value of those dollars so much. This argument ignores the relative circumstances of most Oregonians. As you all know the median family income in Oregon is about \$50,000. That means half of all Oregon families have an income below that figure and half above. So an

estate of \$1 million is equivalent to 20 years of household income for a family at the median. It would be 40 years of household income for a family with an income of \$25,000. If half of Oregon families have to work 20 years or more to produce \$1,000,000 in income, it's obvious that anyone who says \$1,000,000 is too small to be taxed is suffering from a deep sense of entitlement and privilege.