

## Testimony of Larry Scruggs

**HB 2541 Senate Revenue Committee  
Hearing May 23, 2011**



Chair, Vice-Chair, Members of the Committee:

My name is Larry Scruggs, I reside at 6942 N Villard Ave., Portland, OR 97217, and I come to you today to add to the testimony of the members of Tax Fairness Oregon.

First of all, I want to thank you for the limits you are proposing on the estate tax. As a retiree right in the middle of the old and new boundaries I want to thank you for trying to save my heirs a yet to be determined amount from my estate.

That having been said, I believe that we need a strong estate tax to prevent the accumulation of wealth by the few over generations. I believe that no one deserves a free ride to wealth and power. It seems to me that if you want to have a strong free enterprise system you should support a strong estate tax to ensure that every one of us has a fair chance to succeed. I come to you today to speak against this bill because I do not think it wise to raise the lower limit on the estate tax.

As we seem to ask at each one of the hearings – who benefits from this bill and how much does it cost? I’m suggesting to you that because of the limited scope of this bill you can list the families benefiting from this bill on few sheets of paper. Why do the wealthiest among us need another tax break when we are unable to balance our budget?

You will hear testimony today that the estate tax, inheritance tax, or “death tax” will cause families to lose the family business, family farm, or whatever. I ask you to please ask them if they can provide you with the names of families who actually have lost the business, farm, or whatever due to the estate tax. In our research we found examples where the family sold the property or business because they wanted the money but couldn’t find any that sold because of the estate tax. And with the asset transferring techniques available today there are no excuses for losing a family farm or business to the estate tax. That’s what you hire accountants and lawyers for and their fees are deductible on the return as well.

At the present time, in Oregon the lowest 20% of income levels pays 8.7% in state and local taxes while the highest income level pays at 7.3%. Yet while severe cuts are being made to budgets that benefit most of us you’re proposing reducing the estate tax to benefit the wealthiest among us. Why not invert the tax rates to a more progressive system and benefit us all?

What we need in Oregon is a revision of the entire tax system – not the piecemeal process you are following today. Our budget needs to reflect our core values? What do we stand for as a people? What do we believe? My question to you is when are you folks going to go about the business of setting our fiscal house in order? I suggest to you that today is a good time to start.

Thank you for the opportunity to testify today.