

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass

Vote: 5 - 0 - 0

Yeas: Bonamici, Dingfelder, Kruse, Whitsett, Prozanski

Nays: 0

Exc.: 0

Prepared By: Cheyenne Ross, Counsel

Meeting Dates: 3/10, 3/31

WHAT THE MEASURE DOES: Revises Uniform Income and Principal Act. Clarifies that individual retirement account or similar retirement plan held by trust established for surviving spouse's benefit qualifies for federal estate tax marital deduction. Provides formula for calculating amounts that trust must distribute to beneficiaries, and amounts that trust may use to pay taxes, when trust is required to pay taxes on entity in which trust holds interest. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- History and process of modification of Uniform Income and Principal Act
- Provisions of measure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Revisions to the Uniform Income and Principal Act were developed and adopted in 2008 by the National Conference of Commissioners on Uniform State Laws. Uniformity among states is desirable due primarily to tax implications. A work group was organized in Oregon to consider the revisions. This group consisted of accountants, professional fiduciaries, bank representatives, and attorneys. Senate Bill 387 amends Oregon's Uniform Income and Principal Act consistent with the revisions adopted at the national level and is submitted jointly by the Estate Planning Section of the Oregon State Bar, the Oregon Society of Certified Public Accountants, and the Oregon Bankers Association.