



*From the Desk of
Senator Whitsett*

Oregon Farm Bureau Requests Your SUPPORT of SB 864

SB 864 concerns the Natural Resources Credit, which is allowed for certain estates with farm, ranch, small woodlot or commercial fishing operations. The intent of the credit is to assist family based, natural resource businesses transitioning from one generation to the next.

Unfortunately, several families that own and operate legitimate working farms and ranches do not qualify for the credit because their family operations cross state lines. This is a common practice in agriculture. For example, several southern Oregon ranch families winter their cattle in California.

In order to utilize the credit, the Oregon natural resource property must comprise at least 50 percent of the total estate value. While out-of-state natural resource properties are counted in the total estate, they are not counted towards the credit because they are not located in Oregon. Disqualification from the credit has devastated some families, and we do not believe this was the intent of the natural resources credit. These assets represent lifetime investments of a family business that may be forced into selling off assets to pay estate taxes without this credit.

SB 864 is a fix to this issue; it modifies definition of natural resource property to mean property in the state. The bill provides that determination of eligibility for credit is based on ratio of in-state property to in-state portion of gross estate.

The credit is an effective method to offset taxes owed in order to preserve working farm, forest, and other natural resource businesses throughout the state. It helps the next generation of farmers and ranchers to continue operating the family farm or ranch.

Please fix the Natural Resources Credit, so it can assist the family farmers and ranchers as it was intended.

**SUPPORT the Oregon Family Farmers by
VOTING "YES" ON SB 864**

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