



HB 2069 No CPI Increase to the Estate Tax Threshold

Testimony for Senate Finance and Revenue Committee – Josie Koehne – 3.7.17

We oppose the HB 2069 which increases the exemption amount by the cost of inflation for the preceding calendar year, which is the U.S. City Average Consumer Price Index for all Urban Consumers.

This bill's intention is to raise the exemption in a way that seems innocuous, but in reality will cost Oregonians a great deal of much needed revenue over time. These adjustments every year will mean that the exemption level will increase steadily, and this amount adds up. For example, had this provision been in effect since 2009, the exemption today would be at \$1.4 M, rather than at the \$1 M in the current law. That's a lot fewer estates paying the estate tax, and a lot less revenue for Oregon. Note also, that the upper brackets would increase as well, effectively lowering the tax rates that the inheritors will pay in each tax bracket.

It makes no sense to give those with inherited wealth an additional tax break while there is record-high wealth disparity in this country. This bill was designed during the robber baron years expressly to level the playing field so that the wealthy do not perpetuate a system of class advantage. We need the estate tax more than ever today. And it makes absolutely no sense to tie the exemption to the cost of living increase because that is designed as a periodic increase in wages or salaries, to compensate for loss in purchasing power of money due to inflation. We are not talking about wage earners here in need of a salary increase. The beneficiaries of this tax break are inheritors of wealth that most working people will never see in their working lives.