



HB 2069 Indexing the Estate Tax

Testimony for House Revenue – Jody Wisner -- 3.7.2017

In 2015, our General Fund received \$141 million from the estate tax. This bill asks that we index Oregon's \$1 million estate tax threshold to the Consumer Price Index. Is this an essential tax break we must enact this year? How will you pay for it?

This bill is about benefitting the top 4% of Oregonians who, under current law pay Oregon estate tax. In 2015, only 1563 of 35,709 Oregon estates, (4.4%), paid the estate tax.

If we had indexed the estate tax to the CPI back in 2000, Oregon's estate tax exemption would now be nearly \$1.4 million, and **roughly 600 of the 1563 estates paying would have not paid estate taxes in 2015 – and you'd have a bit under \$10 million less revenue** available for the General Fund.

We're of the opinion that:

- 1) **The state budget needs that \$10 million more than the heirs need the \$16k¹ each family would save had the change above been in place.** These heirs that would otherwise receive the \$16,000 are people born on third base for the most part, with the attending advantages of financial where-with-all, better than average educational opportunities, and the examples of hard work and dedication. These heirs will already receive at least \$1 million without taxation. Usually, these families provide financial advantages to their children prior to death, and with careful estate planning can preserve more than the \$1 million exemption.
- 2) **If earlier legislators had made this change, giving up that \$10 million,** you would have less capacity to help poor people with loans to repair their septic systems or replace their polluting wood stoves. You have less capacity to hire foster care workers or improve CASA services. Or, you'd be laying off 117 teachers. **These are stark choices, please don't make them for a future generation of legislators.**
- 3) **Until every benefit provided for the least advantaged is adequate and indexed to inflation, spending our time talking about the most advantaged should not be a legislative priority.**

We urge you to honor the priorities you were elected to serve.

Please set aside this bill, and the other bill raising the exemption level of the estate tax.

We read the bills and follow the money

¹ \$16,000 is the average Oregon tax payment made by estates valued between \$1-\$1.5 m