

From: Susan Pozdena
To: [LRO](#)
Cc: [Randy Pozdena](#)
Subject: Approve SB 870
Date: Friday, March 24, 2017 10:58:33 AM

Dear Members of the Senate Committee on Finance and Revenue:

We understand that your committee is considering SB 870 which would, if passed, repeal Oregon's Estate or, so called, "Death Tax". This tax is levied on the estates of decedents whose estates exceed \$1 million in value. We believe this tax is unfair and distortionary.

It is unfair because the deceased party, in effect, is not able to plan with certainty their exposure to the tax. In addition, under today's rapidly rising home price environment, the estates of relatively modest families may have part of their value assets taken away. Furthermore, estates grow from earned income and investment activity. To a large degree these sources of wealth have already been exposed to taxation, perhaps multiple times as in the case of payroll earnings. This makes the estate tax., in many incidences, a double tax.

The estate tax is distortionary because it encourages households with large estates to remove themselves and their assets to one of the many states that do not tax these assets. This is one of the reasons, I believe, the share of households in Oregon with incomes over \$200 K is significantly lower than many other states. This is a detriment to not only the Oregon economy but also to the collection of other tax revenues. The State of Connecticut, for example, has studied the distortionary effects of their estate tax. The exodus of older, well to do households that they are currently experiencing is believed to be due in large measure to their estate tax policy. Finally, small business owners wishing to pass on their businesses to their heirs are disproportionately affected thereby damaging or causing loss of important sources of employment in Oregon.

We urge to pass SB 870.

Respectfully yours,

Randall Pozdena, PhD, CFA

Susan Pozdena