

Chairman Hass, Vice-Chair Boquist, Members of the Committee,

Thank you for allowing me to testify this morning.

You will hear today pleas to repeal Oregon's estate tax. I am aware of the problems we face as a state and the hesitancy to give up income. But I bring a different view—we are forcing numerous Oregonians that are wealthy to leave our state. What we don't realize is that in many cases, we lose their income taxes in the years before their deaths.

There is much testimony from local families that their properties, ranches and businesses have created great wealth and the estate taxes will force their sale to pay the burden of taxes that may approach almost 50 percent of value exceeding the \$1 million in Oregon and \$5.4 million federally.

Our rate can't be so high that we are not competitive with other states. The loss of income tax from those that leave our state is not calculated. The sale of property and assets to large corporations and outside investors are not good for our state, as local Oregonians take care of tenants, employees and fuel the Oregon Spirit.

An alternative to an outright appeal would be to increase the exemption either by indexing or raising the exemption and/or lowering the rate to five percent to allow those most affected to stay in Oregon, continue to support our state by their donations, income taxes and yes, eventually, a small portion of their estates.

Thank you for your consideration.

Sen. Alan DeBoer
Senate District 3