

Chair Hass, members of the Committee, for the record, Senator Bill Hansell for District 29, Northeastern and North Central Oregon. I come today in support of SB 870, the elimination of Oregon's estate tax. I had sponsored SB 379 dealing with the Estate Tax, however I am happy to lend my support and urge the passing of SB 870, chief sponsored by my colleague Senator Boquist.

Currently, Oregon is only one of 13 states that charges an Estate Tax upon the death of one of its citizens. The estate tax applies to all estates that are valued at or above \$1million. Oregon's tax ranges anywhere from 10% all the way up to 16% based on the value of said estate.

SB 870 allows individuals the opportunity to pass on to members of their families or beneficiaries all they have worked hard for over the years. Estates grow from earned income and investments made. The wealth that is acquired has already been exposed to taxation, perhaps multiple times through payroll taxes and property taxes. Thus many believe the estate tax to be a double tax by the state.

The estate tax provides a disincentive for small and family-owned businesses and farms to grow and / or expand. Especially for family businesses that are preparing to pass it to the next generation. The threat of this tax forces small business owners to pay for expensive estate planning if they want to keep their business in the family. While the owner of the estate is responsible for the tax, their heirs often are responsible for the actual payment of the tax upon the death of the owner. For estates comprised mainly of illiquid assets, like land, coming up with the cash to pay the tax can be a major challenge

For many people in my district, the estate tax hurts the farmer and their family. My family, Hansell Farms, almost lost our farm to estate taxes when my grandparents passed away. It was a very hard time for us. When individuals die, many of their children would love to continue the farming operation, but they are unable to because they are required to pay the estate tax. Sometimes, the tax is so burdensome they must sell the land or a good portion of the farm just to cover the tax.

In an email sent from Terry and Karen Thompson, a farming family from Heppner, a city in my district they explained their situation as follows:

I urge your support of SB 870. I am retired and approaching my 81st birthday. My son and his son represent the fourth and fifth generation operating an Eastern Oregon ranch which has been in continuous ownership and operation since 1909. Whether they continue to be able to make a living from this property relies in part on your approval on SB 870. We have paid property and income taxes all our lives and currently face an ever increasing estate tax when we pass on. This seems far from fair to us. 35 other states have passed laws curtailing or eliminating the estate tax and apparently feel the same as we do. It would be a terrible mistake both morally and financially to be forced to sell part of the property to pay a tax that ranch owners in 35 other states aren't burdened with. Again, I urge your support of SB 870.

Thank you, Mr. Chair, and members of the Committee for your time. I urge your support of SB 870 and am happy to answer any questions you may have.