

SB 188 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 2/13

WHAT THE MEASURE DOES:

Allows exclusion from taxable estate, an amount not to exceed the lesser of \$500,000 or the value of decedent's principal residence. Applies to deaths on or after 1/1/2020.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Estates with a gross value (total estate value both inside and outside of Oregon) greater than or equal to \$1 million are required to file an estate tax return while estates valued less than \$1 million are not subject to Oregon's estate tax and no return is required. For estates with property inside and outside of Oregon, a ratio is applied to apportion the value of the property subject to Oregon's estate tax.

In calculating taxable estate, a number of deductions are available including: funeral expenses, debts, mortgages and liens, bequests and gifts to charities, and bequests to a surviving spouse. Bequests to a surviving spouse act effectively as a deferral of tax as the property for which a marital deduction is allowed must be included in the value of the gross estate when the spouse that received the benefit of the deduction dies.