

SB 701 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 2/13

WHAT THE MEASURE DOES:

Specifies that Oregon estate tax is not due unless value of Oregon taxable estate equals or exceeds \$11.4 million. Indexes minimum estate value to inflation. Adjusts estate filing requirement reflective of indexed minimum. Applies to deaths on or after 1/1/2019.

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.

Doubled by the federal Tax Cuts and Jobs Act passed in December of 2017, the federal estate tax effectively excludes from taxation, estates valued below \$11.4 million for 2019. This federal exclusion threshold is indexed to inflation using the chained consumer price index for all urban consumers. The federal exclusion reverts to its non-doubled amount beginning January 1, 2026.