



Date: February 13, 2020

To: Senate Finance and Revenue Committee, Chair Hass and Members

From: Laurie Wimmer, OEA Government Relations

RE: *SB 1560 [Estate Tax Reduction]*

On behalf of OEA's 45,000 members, I am respectfully testifying in opposition to SB 1560, which would raise the threshold for estate taxation, thereby reducing revenue otherwise available for the vast majority of Oregonians whose lives are in crisis.

With the sidewalks of our cities filled with tents; with the nation's highest rate of unhoused youth; with half of our school children living in poverty; with 400,000 Oregonians unable to access health care; with college-student debt soaring; with insufficient services for our mentally ill; and with our foster care system struggling to meet demand, it's hard to understand why now would be considered an opportune time to raise the amount of transferable wealth that our most affluent would inherit tax free. There are already plenty of estate-planning tools to lessen the estate liability heirs would otherwise have without increasing the threshold from \$1 million to \$2.5 million.

Fully 90% of the estates paying the tax in 2017 would not have done so if this bill had been in effect then. Losses going forward, while unknowable, are certain.

Already this session, advocates have come forward to ask for resources for many worthy programs, either never before funded, or never funded adequately. The answer to most such requests is "no". We are told that prudent fiscal management requires that we spend less, save more, and prepare for the next rainy day. If that argument is true on the budget side, why wouldn't it be equally true on the revenue side? In effect, revenue reductions are just like budget expenditures, particularly if the goal is fiscal restraint.

As others have noted in their testimony, tax giveaways to the wealthiest among us only widens Oregon's income inequality gap. In this case, because of structural and societal disparities, weakening the estate tax also has a deleterious impact on the racial wealth gap.

In past sessions, Oregon's legislators have worked on this tax to ensure that estates related to farming, forestry, and natural resources are generously protected. The work to improve this tax has already been completed.

We believe that income inequality undergirds many of Oregon's most pressing problems. Please do not make them worse by giving yet another tax break to the affluent while limiting services to the poor.

Thank you.