



SB 1560 – Additional Estate Tax Exception

Chair Hass and Members of the Committee

At a time when the income disparity is very high, making another adjustment to the inheritance tax seems unwise.

In 2012 changes were made to allow estates based on farming, forests and fisheries wealth based on recommendations of the Oregon Law Commission. That body, I would remind you, was chaired by The Honorable Lane Shetterly, a former Republican chair of the House Revenue Committee.

Additional adjustments were made in 2015 to clarify the adjustments made by the 2012 legislation.

Many factors affect a decision to relocate as one ages. Family concerns, being closer to grandchildren, having relatives near for health issues.

As the Center on Budget and Public Policy states it on their paper on Inheritance and Estate Taxes,

“Little credible evidence supports the claim that an estate or inheritance tax harms a state’s economy by causing large numbers of elderly people to leave the state or by discouraging them from moving there. At most, academic studies find that these taxes have a small effect on the residence decisions of a few, very wealthy elderly people. [1]”¹.

At a time when we are seeking funds to help house young people who are homeless or support foster children who are aging out of care with few supports, adjusting general fund resources is not helpful nor equitable.

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1. <https://www.cbpp.org/sites/default/files/atoms/files/12-12-18sfp2.pdf>

1] See, for example, Karen Smith Conway and Jonathan Rork, “State Death Taxes and Elderly Migration: The Chicken or the Egg,” National Tax Journal, March 2006; Conway and Rork, “No Country for Old Men (Or Women): Do State Tax Policies Drive Away the Elderly?” National Tax Journal, June 2012; Jon Bakija and Joel Slemrod, “Do the Rich Flee from High State Taxes? Evidence from Federal Estate Tax Returns,” National Bureau of Economic Research Working Paper 10645, July 2004, <http://www.nber.org/papers/w10645>.

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