



Date: March 10, 2021
To: Senate Finance and Revenue Committee, Chair Burdick and Members
From: Laurie Wimmer, OEA Government Relations
RE: *SB 15 [Estate Tax Cut]*

On behalf of OEA's 41,000 members, it is my honor to submit testimony on SB 15, which proposes to reduce the state estate tax for heirs whose inherited properties are below the \$4.5 million threshold.

We are concerned about this proposal for several reasons.

- First, the estimated revenue impact to the state is likely to be tens of millions of dollars each year – resources the state needs to provide essential services to our people.
- Second, in Oregon as in the nation, a historically large share of wealth is concentrated in the hands of a few, overwhelmingly white Oregonians, who would benefit from this legislation. These taxes have eroded over the years, even as wealth and income opportunity gaps have widened. Seen through an equity lens, this proposal does nothing to ameliorate the chasm between privilege and poverty, especially at a time when our BIPOC communities have suffered disproportionately from the pandemic's health and job-loss impacts and are over-represented among Oregon's poor.
- Third, estate taxes are an economically efficient revenue raiser that supports public services without impacting moderate- to low-income earners, providing a powerful tool for more broadly sharing overall prosperity.
- And fourth, the estate tax is a tool to recoup a fraction of forever-lost capital gains revenues that go uncollected when heirs sell long-held assets after the death of the property owner because of other inheritance tax rules. Diminishing it impairs that function.

As Oregon struggles to recover from a year of misery, now is not the time to be reducing the resources policymakers need to serve our most vulnerable, to invest in economic vitality, and to hold the line against cuts to schools, colleges, and social services. In other committees, we are facing challenges, despite the good news of the March forecast, to fully invest in those services most Oregonians support.

Of 200+ revenue-related bills introduced this session, approximately 90 of them propose cuts to the revenues the state relies on to fund core services. This bill is one of those. We ask that the Finance and Revenue Committee refrain from advantaging a few at the expense of the many. Please do not pass this tax break for our wealthiest citizens.