



January 26, 2023

Testimony before Senate Finance and Revenue Committee

Re: Senate Bill 498 - Allows exclusion from taxable estate for value of interest in farm, forestry or fishing business

Chair Meek, Vice-Chair Boquist, members of the committee,

My name is Tami Kerr. I am the Executive Director for the Oregon Dairy Farmers Association. ODFA is the voice for Grade A licensed dairy farms around our state and we represent small dairies, large dairies, organic and traditional producers, and other industry partners.

Most of Oregon's dairies are family run businesses, passed down from generation to generation. These family farms are the backbone of Oregon's fourth largest Agricultural Commodity, which contributes an excess of \$557 million in economic value to the state's economy prior to processing.

The hard work of Oregon's dairy farmers has long cemented the industry's place in our economy for years, but it is important to remember that dairy farmers are price-takers, not price-setters, and they don't have control over their profits. Therefore, Oregon's estate taxes can and do create an unsurmountable financial burden on families that result in the inability for the next generation to take over and resume business operations. Currently, agricultural estate taxes often exceed cash and other liquid assets creating tough decisions by families to sell land, buildings, and equipment or keep farming altogether.

Oregon Dairy Farmers Association supports SB 498, because it would provide needed relief to families with generational family businesses passed onto them but are not protected, or fully protected, by the current complicated and cumbersome rules around natural resource estates and ensure the long-term viability of family businesses.

Oregon Dairy Farmers Association urges the committee to support SB 498 to help family-owned businesses thrive from one generation to the next.