



HB 2624 Estate tax exemption increased and indexed

House Revenue – Jody Wisner – 2.9.2023

There are more than a dozen estate tax bills before the legislature this year. Their sponsors attend to those who won the birth lottery and stand to inherit more than \$1 million from one or more of their parents, grandparents, or others.

- If we housed our citizens,
 - had a mental health service system not ranked 50th among the states,
 - paid our teachers appropriately,
 - supported our police forces adequately,
 - subsidized colleges the way we did 40 years ago so that graduates didn't carry crushing debt burdens, and
 - provided a functioning criminal justice system with adequate public defense attorneys,
- we might better understand to their concerns.

But given the context, this bill is a non-starter. HB 2624 doubles the \$1 million to \$2 million, and indexes that extra million.

Compared to any other crying need in our society, it just doesn't rank.

Most recently the estate tax has provided more than \$312 million in revenue from 1672 estates, or less than 5% of decedents. Forty-seven of those estates used our natural resource exemption in 2019, gaining an extra \$7.5 million exemption for family farms and forests in that year.

That decedents' homes may be valued at more than one million dollars, is often mentioned in the estate tax hearings in this building.

That fact is irrelevant to the discussion.

We suspect that the inheritors of virtually all decedents with homes of that value already own homes. They don't need their parents' home, or if they prefer it, they have something to sell that will generate additional wealth with which they could pay the taxes that will be 10-16% of the assets they are inheriting.

If it's a \$1 million beach or mountain home that's being inherited with taxes due, it's hard to cry for someone who might watch the estate pay \$160,000 in taxes before they inherit that recreation property. If they need a \$160,000 mortgage to pay the taxes to retain the family's vacation home, that should be fairly easy to arrange, particularly since few estates of more than \$1 million dollars have no assets except the family home. Most will have other assets.

We urge you to turn your attention to the real problems of the state.

We read the bills and follow the money