



OREGON HOUSE OF REPRESENTATIVES

Representative Boomer Wright
House District 09

February 5, 2025

Dear House Committee on Revenue,

I am writing in support of HB 2301. This bill would set the estate tax exclusion amount at \$7 million and impose the tax at a flat rate of seven percent.

Oregon's estate tax exemption of \$1 million has been unchanged since 2006. Over the past 19 years, economic conditions, including inflation, have changed in our state and country. Oregon's estate tax exemption of \$1 million, the lowest in the entire country, creates undue hardship on Oregon taxpayers. Likewise, the low estate tax exemption leads to higher numbers of Oregonians paying estate taxes. If you own a home and have even modest retirement savings, you will most likely have to pay estate tax in Oregon. Soaring home values make this even more probable.

The current \$1 million estate tax exemption makes it difficult to pass on wealth to family members and family businesses. Heirs can suffer from the ensuing high tax burden. In some cases, a portion of a business must be sold in order to pay the tax. If not enough of the business stays intact to continue business, the business may be forced to sell and/or shutdown. This ultimately could affect Oregonians' access to businesses and services.

The development of Trusts (including but not limited to Revocable Living Trusts, Irrevocable Trusts, and Charitable Trusts) can be developed to help Oregon residents lessen their estate tax burden. However, doing so can be costly and require the assistance of attorneys. As laws change over time, these trusts must be re-evaluated and redone which adds to more costs to the taxpayer and it time-consuming.

According to an article put forth by Tax Foundation in 2023, "Estate and inheritance taxes are burdensome. They disincentivize investment and can drive high net-worth individuals out of the state. They also yield estate planning and tax avoidance strategies that are inefficient, not only for affected taxpayers but also for the economy at large. The handful of states that still impose them should consider gradually eliminating them or at least conforming to federal exemption levels."

Oregon must increase the estate tax exemption in order to alleviate the tax burden on its citizens, incentivize investment in the state, and increase Oregon's competitiveness.

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Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Boomer Wright". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Boomer Wright
Member
Oregon House of Representatives