



SB 380: Reduction in estate tax revenue fiscally risky

Senate Finance and Revenue – John Calhoun – 2.12.2025

My name is John Calhoun and I am representing Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

On Monday I talked about estate taxes and discussed the question of prioritizing benefits for the already well off few that are subject to the estate tax at the expense of the many struggling to survive. Everything I said then is relevant to the bills before you today.

However, rather than repeating myself, I want to raise a different issue and that is your fiscal responsibility. Oregon's current all funds budget includes \$38 billion in federal funds. The Governor's budget for the next biennium included \$41 billion in federal funds. I believe we can all assume that this is not a realistic number at this point. It will be lower by billions; we just do not know by how much.

The current administration has stated that they want to cut federal spending significantly and they have the votes in Congress to accomplish that. Every program facing these federal reductions, whether it is the Oregon Health Plan or OHSU or public schools will be here asking that the state backfill the cuts to the maximum extent possible. Rural Oregon is expected to be hit hard and will be asking for support.

In addition, as the federal cuts result in fewer federal employees or layoffs at other employers that have their funding cut, we will see lower personal income tax revenue for the general fund. I do not envy the state economists trying to give you a budget estimate next month given the level of uncertainty.

My message today is that you cannot fairly evaluate the various bills before you that reduce state revenue without thinking about the overall fiscal environment that you will need to address before this Session is complete.

I suggest that any consideration of reducing estate tax revenue be put aside in this Session.

We read the bills and follow the money