



Legislative Fiscal Office  
83<sup>rd</sup> Oregon Legislative Assembly  
2026 Regular Session

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Date: February 16, 2026

**Bill Title:** Relating to the estate tax.

**Government Unit(s) Affected:** Department of Revenue

**Summary of Fiscal Impact:**

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Revenue	\$143,647	\$ -	\$5,388	\$ -	\$ 149,035	1	0.42
<b>Total Fiscal Impact</b>	<b>\$ 143,647</b>	<b>\$ -</b>	<b>\$ 5,388</b>	<b>\$ -</b>	<b>\$ 149,035</b>	<b>1</b>	<b>0.42</b>

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Revenue	\$134,462	\$ -	\$5,044	\$ -	\$ 139,506	1	0.33
<b>Total Fiscal Impact</b>	<b>\$ 134,462</b>	<b>\$ -</b>	<b>\$ 5,044</b>	<b>\$ -</b>	<b>\$ 139,506</b>	<b>1</b>	<b>0.33</b>

- The Department of Revenue (DOR) splits personal service expenditures between General Fund and Other Funds. The split for the Business division is 96.38% General Fund and 3.62% Other Funds.
- If the measure passes, funding for DOR will be included in an omnibus budget reconciliation bill. The Legislative Fiscal Office notes that measures modifying state revenues typically do not include appropriations or budgetary adjustments.

**Measure Description**

The measure creates a new \$1 million estate tax deduction, modifies the current estate tax rates, and establishes an estate tax phase-in for estates valued between \$2.5 million and \$3 million.

The measure also modifies the requirements for filing an estate tax return. An estate tax return is not required for decedents who die on or after January 1, 2012, and before January 1, 2027, unless the value of the gross estate is at least \$1 million. For decedents who die on or after January 1, 2027, the measure establishes new filing requirements that an estate tax return is not required unless the value of the gross estate is at least \$2.5 million. DOR is required to annually adjust the \$2.5 million phase-in threshold and filing threshold for decedents dying on or after January 1, 2027, as specified in the measure, beginning in 2028.

**Fiscal Analysis**

The fiscal impact for DOR is estimated to be \$143,647 General Fund, \$5,388 Other Funds, and one limited duration full-time position (0.42 FTE) in the 2025-27 biennium and \$134,462 General Fund, \$5,044 Other Funds, and one limited duration full-time position (0.33 FTE) in the 2027-29 biennium.

DOR anticipates needing one limited duration Tax Auditor 2 position to implement the measure, including modifying multiple tax forms and related instructions, providing updates to the department's website, addressing the increase workload in taxpayer and tax practitioner inquiries, developing public education and

outreach materials, and testing to ensure configuration changes to GenTax accurately reflect the tax law changes to estate tax.

DOR reports that a limited duration position is necessary to process estate tax returns that overlap in tax years under current law and the proposed provisions. The position then would phase out February 2028 when most estate tax returns for decedents who die on or after January 1, 2012 that are valued at least \$1 million are anticipated to be finalized.

**Relevant Dates**

Provisions to sections 1 and 2 apply to the estates of all decedents who die on or after January 1, 2027.

The measure takes effect on the 91st day after sine die.