

SB 1511 A STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Jonathan Hart, Economist

Meeting Dates: 3/2

WHAT THE MEASURE DOES:

Converts existing \$1 million estate tax exemption threshold to a \$1 million deduction from the value before tax is calculated. Establishes a new tax table with increased tax rates. Establishes a subject threshold of \$2.5 million (before \$1 million deduction) below which no tax is due. Phases in estate tax liability for estates starting at the subject threshold of \$2.5 million. Scales the tax liability ratably from zero to the full amount calculated under the new rate table for estates within the \$500,000 phase-in range above the subject threshold. Raises the estate tax return filing threshold from \$1 million to \$2.5 million. Adjusts subject threshold and the filing threshold for inflation beginning in 2028. Applies to estates of decedents dying on or after January 1, 2027. Takes effect 91 days after sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Since 2012, Oregon estate tax returns are required from resident taxpayers with gross estate value of \$1 million or more, or from nonresidents with real or tangible property in Oregon and gross estate value of \$1 million or more. After deductions including funeral expenses, debt, and bequests to a spouse or charity, \$1 million of taxable estate value is exempt from the Oregon estate tax.

More historical information and statistics are available in the Department of Revenue, Research Section estate tax publication available at www.oregon.gov/dor/stats.