

SB 1511-4
(LC 153)
2/17/26 (CMT/ps)

Requested by Senator MCLANE

**PROPOSED AMENDMENTS TO
SENATE BILL 1511**

1 In line 2 of the printed bill, after “tax” insert “; creating new provisions;
2 amending ORS 118.010 and 118.160; and prescribing an effective date”.

3 Delete lines 4 through 9 and insert:

4 **“SECTION 1.** ORS 118.010 is amended to read:

5 “118.010. (1) As used in this section:

6 “(a) ‘Nonresident decedent’ means an individual who is domiciled outside
7 of Oregon on the date the individual dies.

8 “(b) ‘Resident decedent’ means an individual who is domiciled in Oregon
9 on the date the individual dies.

10 “(2) A tax is imposed upon a transfer of the property of each:

11 “(a) Resident decedent; and

12 “(b) Nonresident decedent whose estate includes any interest in:

13 “(A) Real property located in Oregon; or

14 “(B) Tangible personal property located in Oregon.

15 “(3) The Oregon taxable estate to be used for purposes of computing the
16 tax imposed under this section shall be the federal taxable estate:

17 “(a) Increased by:

18 “(A) The deduction for state estate, inheritance, legacy or succession
19 taxes allowable under section 2058 of the Internal Revenue Code; and

20 “(B) If the decedent is a surviving spouse owning the property at death,
21 the value of the following property unless included in the federal taxable

1 estate:

2 “(i) Property for which a deduction for Oregon special marital property
3 under ORS 118.016 was previously allowed; or

4 “(ii) Property for which a separate Oregon election under section 2056 or
5 2056A of the Internal Revenue Code was previously allowed; and

6 “(b) Reduced by:

7 “**(A) A deduction in the amount of \$1.5 million;**

8 “[~~(A)~~] **(B)** The value on the date of the decedent’s death of all Oregon
9 special marital property under ORS 118.013;

10 “[~~(B)~~] **(C)** The exemption allowed under ORS 118.145; and

11 “[~~(C)~~] **(D)** Any other applicable exclusions or deductions.

12 “(4) The tax imposed under this section shall be calculated by applying
13 the rates in the following table. If the Oregon taxable estate is at least the
14 amount in column 1, but less than the amount in column 2, the tax is the
15 amount in column 3, increased by the excess above the amount in column 1
16 multiplied by the percentage in column 4:

17 “

18	1	2	3	4
19	\$1,000,000	\$1,500,000	\$0	10.0%
20	1,500,000	2,500,000	50,000	10.25%
21	2,500,000	3,500,000	152,500	10.5%
22	3,500,000	4,500,000	257,500	11.0%
23	4,500,000	5,500,000	367,500	11.5%
24	5,500,000	6,500,000	482,500	12.0%
25	6,500,000	7,500,000	602,500	13.0%
26	7,500,000	8,500,000	732,500	14.0%
27	8,500,000	9,500,000	872,500	15.0%
28	9,500,000		1,022,500	16.0%

29 “

30 “**(5)(a) The Department of Revenue shall annually adjust the de-**

duction allowed in subsection (3)(b)(A) of this section, to reflect inflation and to account for the exclusion provided in subsection (4) of this section, according to the cost-of-living adjustment for the calendar year. The department shall make this adjustment by multiplying \$2.5 million by the percentage, if any, by which the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending August 31 of the prior calendar year exceeds the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending August 31, 2026, and by subtracting \$1 million from that product.

“(b) As used in this subsection, ‘U.S. City Average Consumer Price Index’ means the U.S. City Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of Labor Statistics of the United States Department of Labor.

“[(5)(a)] (6)(a) In the case of a resident decedent owning, on the date of the decedent’s death, real property located outside Oregon or tangible personal property located outside Oregon, the tax imposed under this section shall be the amount determined under subsection (4) of this section multiplied by a ratio.

“(b) The numerator of the ratio:

“(A) Shall be the sum of the value of the decedent’s real property located in Oregon, tangible personal property located in Oregon and intangible personal property.

“(B) May not include any intangible personal property subject to a tax imposed, as a result of the death of the decedent, by another state or country.

“(C) May not include the value of the exemption allowed under ORS 118.145.

“(c) The denominator of the ratio shall be the total value of the decedent’s gross estate, less the value of the exemption allowed under ORS 118.145.

1 “[~~(6)~~] (7) In the case of a nonresident decedent owning, on the date of the
2 decedent’s death, real property located in Oregon or tangible personal prop-
3 erty located in Oregon, the tax imposed under this section shall be the
4 amount determined under subsection (4) of this section multiplied by a ratio.
5 The numerator of the ratio shall be the sum of the value of the decedent’s
6 real property located in Oregon and tangible personal property located in
7 Oregon, less the value of the exemption allowed under ORS 118.145. The de-
8 nominator shall be the total value of the decedent’s gross estate, less the
9 value of the exemption allowed under ORS 118.145.

10 “[~~(7)~~] (8) Payment, in whole or in part, of estate taxes from funds of an
11 estate or trust on any benefit subject to tax under ORS 118.005 to 118.540 is
12 not to be considered a further taxable benefit, when such payment is directed
13 by the decedent’s will or by a trust agreement.

14 “[~~(8)(a)~~] (9) If the federal taxable estate is determined by making an
15 election under section 2031(c), 2032, 2032A, 2056 or 2056A of the Internal
16 Revenue Code or another provision of the Internal Revenue Code, or if a
17 federal estate tax return is not required under the Internal Revenue Code,
18 an executor may make separate elections for state estate tax purposes under
19 that same provision.

20 “(b) An executor may make elections under ORS 118.013, 118.140 and
21 118.145 and section 2056 of the Internal Revenue Code for state estate tax
22 purposes.

23 “(c) Elections described in this subsection are irrevocable.

24 **“SECTION 2.** ORS 118.160 is amended to read:

25 “118.160. (1) Except as provided in subsection (2) of this section:

26 “(a) An inheritance tax return is not required with respect to the estates
27 of decedents who die on or after January 1, 1987, and before January 1, 2003,
28 unless a federal estate tax return is required to be filed;

29 “(b) An inheritance tax return is not required with respect to the estates
30 of decedents who die on or after:

1 “(A) January 1, 2003, and before January 1, 2004, unless the value of the
2 gross estate is \$700,000 or more;

3 “(B) January 1, 2004, and before January 1, 2005, unless the value of the
4 gross estate is \$850,000 or more;

5 “(C) January 1, 2005, and before January 1, 2006, unless the value of the
6 gross estate is \$950,000 or more; or

7 “(D) January 1, 2006, and before January 1, 2012, unless the value of the
8 gross estate is \$1 million or more; and

9 “(c) An estate tax return is not required with respect to the estates of
10 decedents who die on or after:

11 “(A) January 1, 2012, and before January 1, 2027, unless the value of
12 the gross estate is \$1 million or more[.]; or

13 “(B) January 1, 2027, unless the value of the gross estate is \$2.5
14 million or more.

15 “(2)(a) The Department of Revenue shall annually adjust the filing
16 threshold applicable to estates of decedents dying on or after January
17 1, 2027, according to the cost-of-living adjustment for the calendar
18 year. The department shall make this adjustment by multiplying \$2.5
19 million by the percentage, if any, by which the monthly averaged U.S.
20 City Average Consumer Price Index for the 12 consecutive months
21 ending August 31 of the prior calendar year exceeds the monthly av-
22 eraged U.S. City Average Consumer Price Index for the 12 consecutive
23 months ending August 31, 2026.

24 “(b) As used in this subsection, ‘U.S. City Average Consumer Price
25 Index’ means the U.S. City Average Consumer Price Index for All Ur-
26 ban Consumers (All Items) as published by the Bureau of Labor Sta-
27 tistics of the United States Department of Labor.

28 “[2)] (3) In every estate, whether or not subject to administration and
29 whether or not a federal estate tax return is required to be filed, the execu-
30 tor shall at such times and in such manner as required by rules of the De-

1 department of Revenue, file with the department a return in a form provided
2 by the department setting forth a list and description of all transfers of
3 property, in trust or otherwise, made by the decedent in the lifetime of the
4 decedent as a division or distribution of the estate of the decedent and any
5 further data that the department requires to determine estate tax under this
6 chapter.

7 **“SECTION 3. Notwithstanding ORS 315.037, the amendments to ORS**
8 **118.010 and 118.160 by sections 1 and 2 of this 2026 Act apply to the es-**
9 **tates of all decedents who die on or after January 1, 2027.**

10 **“SECTION 4. This 2026 Act takes effect on the 91st day after the**
11 **date on which the 2026 regular session of the Eighty-third Legislative**
12 **Assembly adjourns sine die.”.**