

# Revenue

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By Josie Koehne, Revenue Coordinator

## Revenue Updates

A public hearing was held March 10 on [SB 15](#), an estate transfer tax bill that raises the exemption threshold from \$1 million to \$1.5 million on Oregon taxable estates, for estates worth under \$4.5 million and progressively raises the threshold if the value of the estate is worth more. For an estate worth \$7.5 to \$8.5 million, the exemption from the estate tax would be lowered to \$300,000, and no exemption would be allowed for estates worth more than \$8.5 million. The tax rate would remain the same, which range from 10.25% to a maximum on estates on the high end at 16%. This would tax wealthier estates more, and would exempt more estates worth less. The revenue impact has not yet been estimated by the Legislative Revenue Office.

Oregon's most recent tax expenditure report (2021-2023) states: "a few thousand returns are filed each year, though the majority of the total revenue comes from a small number of larger estates. There has been revenue growth in recent years reflecting, in part, Oregon's population growth as well as growth in value of assets comprising estates. Receipts from the estate tax are expected to be \$452 million in 2019-21 and \$381 million in 2021-23, calculated on the existing \$1 million exemption. Past years revenue has hovered in the \$200 million range.

The LWWOR has usually opposed raising the exemption rate, because an estate tax is one of the most effective ways to limit the transfer of dynastic wealth and provide revenue available for services for those at

the lower end of the economic spectrum. Since most people who inherit estates worth enough to be taxed tend overwhelmingly to be white, and those at the lower end to be people of color, this is also a matter of racial equity and reducing economic disparity, which is why we have traditionally supported the estate tax and have resisted attempts to eliminate or raise the exemption for the estate tax.

**HB 2578** Also on March 10, there was a public hearing on the home mortgage deduction bill, introduced by Khan Pham, who represents the district recently represented by retired Rep. Alissa Keny-Guyer who developed the bill. The bill uses the savings obtained by limiting the mortgage interest deduction for those earning \$200-250,000 adjusted gross income and eliminating it to those earning more than \$250,000 annually and redirects it to a fund to help those who are most in need of housing assistance. This is another tax break that the wealthy, who do not need it, can take advantage of at a time when so many Oregonians are faced with housing insecurity and homelessness. It also eliminates the deduction on second homes and provides the deduction on a pro rata basis when they are rented out or when the principal residence is up for sale. This is a brilliant solution because it provides revenue for these critical, much-needed housing programs without requiring resources from the general funds, other funds, or lottery funds. The LWV provided [this testimony](#) in support. Read more in the housing section of this legislative report.