



Timothy G Sekerak
Chief Clerk of the House **OREGON HOUSE OF REPRESENTATIVES**
State Capitol Building
Salem, OR 97301

June 24, 2023

RE: Vote Explanation – SB 498-A

Chief Clerk Sekerak,

I am opposed to SB 498-A because it would open a loophole for the ultra-wealthy to exploit an exemption in the estate tax intended for family farms.

This is a bill for the rich and will increase the wealth divide.

Oregon farmers, forest owners or fishermen make Oregon the great state that it is today. I value the unique financial situation that make up the generations of Oregonians who still call our state home. However, they aren't the subject of this bill. Current law already grants their qualifying estates a \$15 million exemption.

As I understand it, the bill would sweep away the ceiling that excludes estates valued at more than \$15 million from using the exemption. It would allow the heirs of people who buy qualifying land as little as a year before death – that is not a “family farmer” – to exploit it. It would also overturn the qualification that the inheritors continue the business use of the natural resource property.

In support of current Federal law, the Oregon Agriculture Department states in its Tax Expenditure Report that “The (existing) estate transfer tax credit can help make it possible for beginning farmers and ranchers to afford inherited land and continue operating the family business.”

In Oregon today, only 4% of estates pay any estate tax at all. Under the new law, fewer than 1% of estates cash out on exemptions.

In the 2023 legislative session, legislators balked on an opportunity to expand SNAP benefits to immigrant families working hard to put food on their table. Now in the same year, we are expanding exemptions for the wealthiest among us, the top 1%.

I am committed to supporting efforts to create a fair tax structure that is easy to understand and navigate. Our current tax system is complex and understanding tax provisions is one of the barriers to families working within the current system.

We must improve our tax system, but SB 489-A is not about improving our tax system for all Oregonians. It creates a loophole for the top 1% of Oregonians, empowering to take even more advantage of a broken tax system that unequally benefits the wealthiest Oregonians.

Best,

Representative Tom Andersen

