



COMMON SENSE FOR OREGON

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"We would like to share an editorial supporting Measure 84 to end the Oregon Death Tax, which appeared in the Wall Street Journal. [Here](#) it is:"

The Wall Street Journal

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Oregon's Death Tax Defiers

Small business owners and farmers have been some of the hardest hit by the tough economy, and those who stay afloat, increasingly worry they won't be able to pass on their enterprises to the next generation. In liberal Oregon, of all places, a measure will be on the ballot this November to ease the burden by eliminating the state's death tax.

Last Year, after Oregon farmer Pauline Andrews's grandparents dies, her family had to pay several thousand dollars in death taxes to keep land that had been in the family for over 100 years, and they'll have to pay again when her parents die. "My family has paid taxes our whole lives," Ms. Andrews says. "We would definitely have to sell property just to be able to pay the death tax for the third time."

She's not the only one. Under current Oregon law, the tax kicks in at 10% on estates worth a mere \$1 million and raises to 16% on estates of \$9 million. That hits many family owned businesses and farms that wouldn't qualify as rich even in Elizabeth Warren's book of envy.

Often, the businesses own assets like buildings, land, equipment or vehicles that make them eligible for the tax but aren't liquid enough to allow a sale to pay the tax collector. To obey the law, heirs are focused to sell parts of their business or close it down to come up with the cash.

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Some 58% of all death tax filings on Oregon are on estates worth less than \$3 million. That's no surprise: As businesses and families get close to the federal estate tax threshold of \$5 million, they are more likely to have hired lawyers to help them avoid the tax. (Think Warren Buffet.)

Critics of the repeal initiative, known as Measure 84, claim the phase-out over three years will hurt the state's general revenue fund and thus money for education or welfare. But death tax revenues make up less than 1.5% of Oregon's general fund-roughly \$100 million of the \$7.5 billion annual budget.

Oregon is merely the latest in a wave of states that are considering or have repealed their estate levies. In 2001, all 50 states had death taxes. By this summer, 31 states had taken those off their books, including most recently Tennessee, which is phasing out its tax over several years, and Ohio, which will eliminate its tax in January.

According to the latest poll commissioned by Common Sense for Oregon, a non-profit group leading the repeal effort, the measure is ahead by roughly 19%. Forty-eight percent of voters support repeal, 29% are opposed, and 23% are undecided. That suggests the repeal effort could still be undone by a burst of opposition advertising, financed perhaps by government unions or a billionaire who shields his taxes by creating a foundation.

They shouldn't be able to get away with the standard liberal argument that the estate tax hurts no one but the rich. Its biggest targets are family businesses, entrepreneurs and professional households that have saved over a lifetime and that have already paid taxes on their income once or even two times. By punishing them, the economy suffers and so does everyone else.

The best reason to repeal the death tax is moral: It punishes a lifetime of thrift for the inevitability of death and no purpose but punishment.

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