2026 Edition

OREGON DEPARTMENT OF REVENUE

Oregon Estate Transfer Tax Return Statistics

2026 Edition:
Tax Years 2016 – 2023

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Oregon Estate Transfer Tax Return Statistics

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Table of Contents

List of Exhibits

Introduction

Estate, inheritance, and gift taxes are different taxes on the transfer of wealth. Estate and inheritance taxes are imposed on transfers that occur upon the death of the owner of the property, whereas gift taxes are imposed on transfers made during the property owner's lifetime. Estate taxes generally apply a single rate schedule to the taxable value of the decedent's total estate, whereas inheritance tax rates often vary based on the relationship between the beneficiary and the decedent. Gift taxes are imposed to prevent property owners from avoiding inheritance and estate taxes by transferring wealth during their life.

This report provides an overview of Oregon's history of estate, inheritance, and gift taxes, as well as its current estate tax program. It also reviews legislative changes to the estate tax since its adoption in 2011, and analyzes returns filed for tax years 2016 through 2023 to provide insight into questions (outlined below) that frequently arise in discussions of Oregon's estate tax policy.

- How many estate tax returns are filed each year?
- What is the distribution of gross estate values?
- What is the asset composition of estates?
- Which deductions are estates claiming?
- What is the distribution of taxable estate values?
- Who pays the Oregon estate tax?
- How much of the tax is owed by the estates of nonresident decedents?
- How much tax reduction is associated with the natural resource credit and natural resource exemption?
- How much revenue is collected from the estate tax each year?

History

Oregon has a history of inheritance, gift, and estate taxes dating back to 1903, when it first enacted an inheritance tax. A gift tax statute was enacted in 1933. In 1978, Oregon began phasing out its inheritance and gift taxes over a 10-year period. During this time, federal estate tax law allowed a credit for state death taxes. Known as a federal pick-up tax, the federal credit allowed for a pass through to Oregon of estate tax revenue that would otherwise have gone to the Federal government. If a federal estate tax was payable and the inheritance tax payable to Oregon was less than the maximum state credit allowed by federal estate tax law, an additional tax equal to the difference between the state inheritance tax and the maximum credit under the federal estate tax was imposed by Oregon. In 1987, with the phase out complete, Oregon's inheritance tax only applied to cases where a federal estate tax was payable and was equal to the maximum state death tax credit allowable by federal estate tax law.

The Taxpayer Relief Act of 1997 (TRA97), among other things, increased the federal estate tax exemption. More significant changes to federal estate tax law followed with the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) in 2001. EGTRRA replaced the credit for death taxes paid to states with a deduction and incrementally increased the exemption, completely phasing out the federal estate tax by 2010. However, all provisions of EGTRRA were set to expire in 2011 with affected laws reverting to their 2001 status. The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 reinstated the federal estate tax with a $5 million exemption.[1]

The changes to federal estate tax law created difficulties in the administration of Oregon's inheritance tax. Oregon was implicitly tied to federal estate tax law at a point in time and legal opinions indicated that Oregon had not technically adopted the changes in TRA97 and EGTRRA. In response, the 2003 Oregon legislature passed House Bill 3072 clarifying Oregon's connection to federal estate tax law in effect on December 31, 2000. House Bill 3072 also specified gross estate values for which an inheritance tax return was required; incrementally increasing the threshold from $700,000 or more for the estates of decedents dying in 2003 to $1 million or more for decedents dying on or after January 1, 2006. See Exhibit A1 for historical Oregon and Federal exemption amounts. Oregon did not connect to the federal estate tax law changes in EGTRRA.

[1] Estates of decedents dying in 2010 had the option to choose between the federal estate tax with a $5 million exemption and 35 percent tax rate or no estate tax and a carry-over basis for inherited assets, which could lead to higher capital gains taxes when a beneficiary sells these assets.

In 2007, the legislature addressed concerns that family-owned businesses lacked sufficient liquid assets to pay the inheritance tax and were forced to sell assets, including land. House Bill 3201 allowed natural resource property and commercial fishing property, up to $7.5 million, that was transferred to a family member to be excluded from the gross estate for purposes of computing the inheritance tax. However, questions arose during its implementation. The following year, the legislature passed House Bill 3618, instead, allowing an estate to claim a credit based on the value of qualifying natural resource and commercial fishing property.

In 2009, the Oregon Law Commission was asked to evaluate Oregon's inheritance tax and propose recommendations to the 2011 Legislative Assembly. The result of the project was House Bill 2541, a substantial reform, which replaced the inheritance tax connected to the former federal credit for state death taxes with an estate tax imposed as a percentage of Oregon taxable estate value. Passed by the 2011 Oregon Legislature, the estate tax went into effect for decedents dying on or after January 1, 2012.

In the 2012 general election, Ballot Measure 84, which proposed a complete phase out of the estate tax by 2016, was rejected with 54 percent of voters opposed. While amendments have since been made, the 2011 reform is the basis of Oregon's current estate tax law.

About Oregon's Estate Tax Program

Oregon's estate tax is imposed when property is transferred because of the property owner's death. This tax applies to resident decedents and nonresident decedents "whose estate includes any interest in real property located in Oregon or tangible personal property located in Oregon." [Oregon Revised Statutes (ORS) 118.010].[2,3] Among other provisions, the 2011 estate tax reform bill, House Bill 2541, established Oregon's estate tax rate schedule, filing requirements, and connected Oregon to the federal Internal Revenue Code (IRC) definition of terms relating to estate taxes in effect on December 31, 2010. See Oregon Revised Statutes relating to the estate tax (ORS 118.005 to 118.990).

This section describes how the Oregon estate tax works in 2026. It includes details on when an estate tax return is required to be filed, how estates are valued, and how the tax is calculated, including the various exemptions, deductions, exclusions, and credits available to filers. A timeline of recent legislative changes follows.

Filing Requirements

Oregon's estate tax applies when a decedent's gross estate at the date of their death is valued at $1 million or more and includes property taxable by Oregon. In this case the executor(s) of the decedent's estate must file Form OR-706.[4] Estates valued at less than $1 million are not subject to the tax and are not required to file a return. The gross estate of the decedent is the value of all real and personal property, tangible or intangible, valued at the date of their death. All assets, whether located inside or outside of Oregon, are included in the gross estate.

Real property includes land, houses, and other permanent structures

Tangible personal property includes cars, jewelry, and collectibles

Intangible personal property includes a wide variety of assets such as financial assets (like savings accounts, stocks, and bonds) and intellectual property (like patents and copyrights)

The return must be filed with the Oregon Department of Revenue within 12 months of the date of the decedent's death. An estate may request a 6-month extension of time to file which, if received before the original due date to file

[2] "Decedent" is a legal word for a person who has died.
[3] A decedent's domicile is the place where the decedent had their fixed, permanent, principal home. The decedent is allowed only one domicile, though they may have had multiple residences.
[4] An executor is a personal representative, administrator, trustee, fiduciary, or custodian of the property, or any person who has actual or constructive possession of the decedent's property

a return, is automatically granted. A penalty of 5 percent of the tax is imposed if the return isn't filed by the due date or by the extended filing date. An additional 20 percent penalty is imposed for returns filed more than 3 months after the due date (including extension).

Tax payment is due within 12 months of the decedent's death, unless an extension of time to pay was approved by the Oregon Department of Revenue. A penalty of 5 percent of the tax is imposed if the tax isn't paid by the due date or, if applicable, the extended payment date. Only one 5 percent penalty is assessed, the 5 percent late filing penalty or the 5 percent late payment penalty. Additionally, interest is charged on tax not paid by the original due date of the return. The revenue from the tax, net of refunds, is credited to the General Fund.

Estate Values

All property included in the gross estate is valued at the decedent's date of death unless alternate valuation is elected at the time the return is filed. If elected, property included in the gross estate at the date of death is valued as of six months after the decedent's death or some intermediate date. A special use valuation may be elected to value certain farm and closely held business real property at its farm or business use value rather than its fair market value, see IRC section 2032A. Schedules are required for reporting the individual assets, and associated values, of an estate.

Estate planning tools can be used to reduce tax liability by changing the value and composition of the estate. The amounts reported on the tax return, and in this analysis, represent the estate after the execution of any estate planning. Estates do not explicitly report all actions taken to reduce tax liability on the return. Therefore, we are unable to report on the impact estate planning has on estate tax revenue collected.

Deductions, Exemptions, and Exclusions

Deductions, exemptions, and exclusions are allowed for a variety of circumstances, reducing the taxable value of an estate. A marital property deduction allows assets transferred to the decedent's surviving spouse to be excluded from the gross estate. This deduction functions as a tax deferral and the property for which a marital deduction is allowed must be included in the value of the gross estate when the spouse that received the benefit of the deduction dies. Additional deductions are available for:

- Funeral expenses
- Expenses incurred in administering property like attorney, accountant, and appraiser fees
- Debts of the decedent including mortgages and liens

- Net losses during administration, such as losses from theft or fires that occur during the settlement of the estate and are not reimbursed by insurance
- Charitable, public, and similar gifts and bequests

An exemption for natural resource property used in a family business is available for qualifying farm use, forestland, and commercial fishing property located in Oregon. To qualify for the exemption of up to $15 million, the property must have been used in a business and owned by the decedent during the five years preceding the decedent's death. Additionally, the decedent or a family member must have materially participated in the farm, forestry, or fishing business at least 75 percent of the relevant business days in each of the five years prior to the death of the decedent; and at least one family member must materially participate in the business in each of the five consecutive years after the death of the decedent.[5] If the qualifying property is disposed of or is transferred to a person other than a family member or another eligible entity before the property is used for five years after the date of death or if the material participation requirement is not met, an additional tax is imposed. See ORS 118.145 for complete requirements.

A qualified conservation easement exclusion is available for contributions of real property interests to qualified organizations exclusively for conservation purposes. See IRC section 2031 (c).

The value of the gross estate, minus all deductions, exemptions, and exclusions equals the taxable estate value, which is used to calculate the tax owed. See Exhibit 1.

Exhibit 1. Calculating Taxable Value for a Hypothetical Estate

Assets		**Deductions**	
Item	**Value**	**Expense**	**Amount**
House	$800,000	Funeral	$15,000
Stocks	$500,000	Mortgage Debt	$100,000
Checking Account	$100,000		
Car	$15,000		
Annuity	$400,000		
Gross Estate Value:	**$1,815,000**	**Total Deductions:**	**$115,000**
Taxable Estate Value:	**$1,700,000**		

[5] Materially participate means to engage in active management of the farm business, forestry business, or fishing business (IRC 2032 A). The requirement to materially participate on at least 75 percent of the relevant days doesn't apply to a small forestland owner for estates of a decedent who dies on or after January 1, 2026.

Tax Rates

The Oregon estate tax only applies to taxable value over $1 million. For taxable estate values of $1 million or more the marginal tax rates range from 10 to 16 percent. Having an estate tax with a marginal rate means that each portion of the total taxable value of the estate is taxed at a progressively increasing rate. The first $1 million is not taxed, the next $500,000 is taxed at 10 percent, the next $1 million is taxed at 10.25 percent and so on according to the full schedule (Exhibit 2). For example, an estate with a taxable value of $1.7 million would pay zero dollars on the first $1 million in value. For the next $500,000 it would pay a 10 percent rate, or $50,000. The remaining $200,000 in taxable value would be taxed at a rate of 10.25 percent, or $20,500, for a total tax owed before credits of $70,500 (columns 3 plus 4 below). Because the highest rate paid on this estate is 10.25 percent, it is referred to as a 10.25 percent marginal tax rate.

Exhibit 2. Oregon Estate Tax Rate Schedule

Column 1 Taxable estate equal to or more than:	Column 2 Taxable estate less than:	Column 3 Tax on amount in column 1:	Column 4 Tax rate on taxable estate amount more than the amount in column 1:
$1,000,000	$1,500,000	$0	10.00%
$1,500,000	$2,500,000	$50,000	10.25%
$2,500,000	$3,500,000	$152,500	10.50%
$3,500,000	$4,500,000	$257,500	11.00%
$4,500,000	$5,500,000	$367,500	11.50%
$5,500,000	$6,500,000	$482,500	12.00%
$6,500,000	$7,500,000	$602,500	13.00%
$7,500,000	$8,500,000	$732,500	14.00%
$8,500,000	$9,500,000	$872,500	15.00%
$9,500,000		$1,022,500	16.00%

Estates with Property Outside of Oregon

When the estate has property located outside of Oregon the tax is prorated according to the share of the estate's value that is taxable by Oregon. For Oregon resident decedents, property taxable by Oregon includes all intangible personal property, real property located in Oregon, and tangible personal property located in Oregon. For nonresident decedents, property taxable by Oregon includes all real property located in Oregon and tangible personal property located in Oregon. Exhibit 3 details the calculation of the Oregon percentage, the fraction used to prorate the tax; note the numerator of the fraction includes intangible property such as bank accounts, securities, and interests in LLCs for Oregon resident decedents only. Exhibit 4 presents an example of the tax calculation for an estate with a portion of its property located outside of Oregon.

Exhibit 3. Property Taxable by Oregon for Resident and Nonresident Decedents

Calculation of the Oregon Percentage:

For Oregon Residents:

$$\frac{\text{Real Property Located in Oregon} + \text{Tangible Personal Property Located in Oregon} + \textbf{Intangible Personal Property}}{\text{Total Gross Estate Value}} \times 100$$

For Nonresidents:

$$\frac{\text{Real Property Located in Oregon} + \text{Tangible Personal Property Located in Oregon}}{\text{Total Gross Estate Value}} \times 100$$

Note: For estates of decedents dying on or after July 1, 2025, the natural resource property exemption is subtracted from both the gross value of property located in Oregon and the total gross estate value when calculating the Oregon percentage.

Exhibit 4. Calculating Tax Payable to Oregon for an Estate with Property Located Outside of Oregon

Example: The estate of a nonresident decedent has a total gross value of $3,600,000 (line 1 of the return). The estate contains real property located in Oregon, a house valued at $720,000 (line 6 of the return). The estate claims $100,000 of allowable deductions for funeral expenses, attorney's fees, appraiser's fees, and mortgage debt (line 2 of the return).

First, the taxable value of the total estate is calculated. After the $100,000 of allowable deductions are subtracted from the gross value, the taxable value of the estate is $3,500,000 (line 4 of the return).

Second, the Oregon estate tax is calculated on the total taxable value of the estate; which in this case is $257,500 (line 5 of the return).

Third, the percentage of the estate taxable by Oregon is calculated. For this estate, the Oregon percentage is the value of property located in Oregon ($720,000) divided by the total gross estate value ($3,600,000) or 20 percent (line 7 of the return).

Finally, the Oregon estate tax is prorated by the Oregon percentage (20 percent of $257,500), resulting in $51,500 in tax payable to Oregon (line 8 of the return).

1. Total gross estate (from page 3, part 5, line 512)		● 1.	3,600,000.00
2. Total allowable deductions (from page 3, part 5, line 522)		● 2.	100,000.00
3. Natural resource property exemption (include Schedule OR-NRE, see instructions)		● 3.	0.00
4. Taxable estate (line 1 minus lines 2 and 3, if applicable)		● 4.	3,500,000.00
5. Oregon estate tax (see instructions, part 6, for tax table)		● 5.	257,500.00
6. Gross value of property located in Oregon (see instructions)	● 6. 720,000.00		
7. Oregon percentage (see instructions)	● 7. 20.0000%		
8. Tax payable to Oregon (line 5 multiplied by line 7)		● 8.	51,500.00

Credits

Two credits, the natural resource credit and the forest conservation tax credit, are available to estates meeting specific eligibility criteria.

The natural resource credit was designed for family-owned natural resource businesses that are being passed within the family. To be eligible for the credit, the property must be located in Oregon, used in a business, and transferred to a family member. To claim the credit, an estate must have an adjusted gross value of $15 million or less and the value of the Oregon natural resource property must be at least 50 percent of the Oregon adjusted gross estate. Additionally, the property must have been owned by the decedent or a family member and used in a farm, forestry, or fishing business during an aggregate period of five out of the eight years ending on the date of the decedent's death; and the property must be owned by a family member or another eligible entity, and used in the operation of the business for five out of eight years after the decedent's death.[6] The amount of the credit is proportional to the Oregon natural resource property share of the estate (Exhibit 5). See ORS 118.140 for complete requirements. Estates with qualifying natural resource property can't claim both the credit and the exemption.

The forest conservation tax credit is certified by the Oregon Department of Forestry (ODF) and allows a tax credit to a small forestland owner who creates a forest conservation area and records an irrevocable deed restriction prohibiting a harvest in the area for 50 years. The credit is applicable to the personal income tax, corporate income or excise tax, or the estate tax. See ORS 118.152.

[6] An additional tax may be imposed if the qualifying property is disposed of or is transferred to a person other than a family member or another eligible entity, before the property is used for five out of eight years after the date of death.

Exhibit 5. Calculating Tax Liability for an Estate with Oregon Natural Resource Property

Example: An estate, with all property located in Oregon, has a total gross value of $2,500,000. The estate includes a family-owned farm business, with $1,500,000 of qualifying natural resource property. Funeral expenses, attorney, accountant and appraiser fees, and debts (Schedule J and K deductions used in calculating the adjusted gross value) amounted to $25,000. Additionally, the estate made a $50,000 charitable gift to a nonprofit organization. Before any credits, the taxable value of the estate is $2,425,000 which results in tax liability of $144,813. Assume the estate is eligible to claim either the natural resource credit or the natural resource exemption.

Natural Resource Credit: This estate is eligible to claim a natural resource credit of $87,771, reducing the amount of **tax owed to $57,042**.

1. Total gross estate (Form OR-706, part 2, line 1) ●	1.	2,500,000.00	
2. Less:			
a. Schedules J and K (Form OR-706, part 5, line 516) ●	2a.	25,000.00	
b. Schedule L (Form OR-706, part 5, lines 518 and 519) ●	2b.	.00	
3. Total adjusted gross estate (subtract 2a and 2b from line 1) ●	3.		2,475,000.00
Stop if this amount is more than $15 million; you don't qualify for the credit.			
4. Oregon gross estate (Form OR-706, part 2, line 6) ●	4.	2,500,000.00	
5. Less:			
a. Schedules J and K, as deductions relate to Oregon gross estate, (Form OR-706, part 5, line 516) ●	5a.	25,000.00	
b. Schedule L, as deductions relate to Oregon gross estate, (Form OR-706, part 5, lines 518 and 519) ●	5b.	.00	
6. Oregon adjusted gross estate (subtract 5a and 5b from line 4) ●	6.		2,475,000.00
7. Value of all eligible natural resource or fishing property. (Schedule OR-NRC, part 2, column C total) ●	7.		1,500,000.00
8. Oregon natural resource property percentage (divide line 7 by line 6 and multiply by 100; round to four decimal places) ●	8.		60.6061%
Stop if this percentage is less than 50 percent; you don't qualify for the credit.			
9. Value of Oregon natural resource property on which the credit is calculated (Schedule OR-NRC, part 2, column D total; **don't enter more than $7.5 million**) ●	9.		1,500,000.00
10. Divide line 9 by line 3 (round to four decimal places) ●	10.		0.6061
11. Estate tax payable to Oregon (Form OR-706, part 2, line 8) ●	11.		144,813.00
12. Oregon natural resource credit (multiply line 11 by 10). Enter on Form OR-706, part 2, line 9 ●	12.		87,771.00

Natural Resource Property Exemption: This estate is eligible to claim a natural resource property exemption reducing the taxable estate value to $925,000. The resulting **tax owed would be $0**.

1. Total gross estate (from page 3, part 5, line 512) ●	1.	2,500,000.00
2. Total allowable deductions (from page 3, part 5, line 522) ●	2.	75,000.00
3. Natural resource property exemption (include Schedule OR-NRE, see instructions) ●	3.	1,500,000.00
4. Taxable estate (line 1 minus lines 2 and 3, if applicable) ●	4.	925,000.00
5. Oregon estate tax (see instructions, part 6, for tax table) ●	5.	0.00

Recent History of Legislative Changes

The Oregon legislature has passed several bills relating to the estate tax since the 2011 reform. Changes range from the addition of the natural resource exemption as an alternative to the natural resource credit to bringing penalties into alignment with other tax programs administered by the Department of Revenue. These amendments are detailed in the timeline below.

2015: Senate Bill 864 clarified that to be eligible to claim the natural resource credit the total value of the Oregon natural resource property must be at least 50 percent of the Oregon adjusted gross estate.

2017: The estate tax program could impose both an initial failure to file estate tax return when due penalty and a failure to pay estate tax penalty. Senate Bill 32 brought the estate tax program into alignment with other tax programs by allowing the imposition of either an initial failure to pay estate tax when due or initial failure to file estate tax return when due penalty, but not both.

2021: The due date for filing a return and paying the estate tax was contingent on whether a federal estate tax return was required. If a federal estate tax return was required, the Oregon estate tax return and payment were due on the date the federal estate tax was payable. If an Oregon estate tax return was required but a federal estate tax return was not, then both the tax return and payment were due nine months following the decedent's death. House Bill 3138 removed the contingency on federal estate tax filing and set the due date for filing and payment to 12 months from the decedent's date of death for decedents dying on or after January 1, 2022.

2022: Senate Bill 1502 created a tax credit for small forestland owners who choose to follow timber harvest restrictions applicable to a large forestland owner, as adopted by the 2022 Private Forest Accord. The credit is certified by the Oregon Department of Forestry and is applicable to the personal income tax, corporate income or excise tax, or the estate tax and applies to tax years beginning on or after January 1, 2023.

2023: Senate Bill 498 created an exemption of up to $15 million for natural resource or fishing property used in the operation of a business and transferred to a family member upon the property owner's death. Eligibility criteria include requirements on family ownership of the property, use of the property in a business, and material participation of a family member in the business. The bill specified estates can't claim both the natural resource credit and the natural resource property exemption. Estates of decedents dying on or after July 1, 2023, are eligible to claim the exemption.

The 2023 legislature also passed House Bill 2161 which increased the value of the forest conservation tax credit for small forestland owners meeting certain criteria.

2025: House Bill 3630 made several modifications to the natural resource property exemption. It expanded the ownership requirements for qualifying natural resource property to include ownership or beneficial interests in a business entity or trust that owns natural resource property. The bill also amended the material participation requirement by adding “relevant business” to the requirement that the decedent or a family member materially participated in the business during at least 75 percent of the days in the five calendar years prior to the decedent’s death and removing the 75 percent of the days specification from the requirement that a family member materially participate in the business during the five years following the death. House Bill 3630 also removed the value of the exempted natural resource property from the ratio used to apportion the tax in cases where some of the estate’s property is located outside of Oregon. Additionally, the bill allowed for qualified property to be replaced in an exchange for other qualified property. These changes went into effect for the estates of decedents dying on or after July 1, 2025.

Senate Bill 485, also passed in 2025, modified the participation requirements for forestland qualifying for the natural resource property exemption to management activities that are appropriate or customary for the forestland property given its current phase in the forest management cycle. This change applies to the estates of decedents dying on or after January 1, 2026.

Analysis of Estate Tax Returns

Oregon's estate tax policy has been discussed in various settings over the last several years. A common set of questions regarding the tax has emerged from these meetings and presentations. This section analyzes estate tax returns for insight into these questions.[7,8] The questions, with summarized answers, are below. More in-depth analysis, including year-over-year trends, of each can be found in the relevant subsections.

How many estates file an Oregon estate tax return each year?

- The number of returns filed as a share of deaths in Oregon is trending up and reached 7.4 percent, with 3,134 returns filed for tax year 2023.

What is the distribution of gross estate values reported on Oregon estate tax returns?

- For tax year 2023, the median reported gross estate value was $1.9 million; 10 percent of estates reported a gross value greater than $5.6 million; and 2.5 percent of estates reported a gross value exceeding the 2023 federal estate tax filing threshold of $12.92 million.

What is the asset composition of estates?

- The asset composition of estates is difficult to generalize, as the composition varies widely and is highly unique to each estate. For example, transfers during the decedent's life, which includes revocable trusts, is the largest asset category. However, some estates reported the entire value of the estate in trust(s) while other estates did not contain any trusts. The average share of an estate reported as transfers during the decedent's life increases with the gross estate value.

What is the distribution of taxable estate values reported on Oregon estate tax returns?

- The median taxable estate value, for tax year 2023, was $1.2 million. Thirty-seven percent of estates reported a taxable value of $1 million or less; 53 percent of estates reported a taxable value over $1 million but less than $3.5 million; 8 percent reported taxable values between $3.5 and $9.5 million; and 2 percent reported taxable values over $9.5 million. The estates of decedents married at the time of their death claiming a marital property deduction account for the majority of estates with taxable values of $1 million or less.

[7] Returns filed for tax years 2016 to 2023 and processed by the Oregon Department of Revenue by November 11, 2025.
[8] Dollar values are not adjusted for inflation.

Who owes the Oregon estate tax?

- The number of returns filed with tax liability as a share of deaths in Oregon was 4.6 percent for tax year 2023. Tax liability is heavily concentrated in a small number of estates. The share of tax liability accounted for by the top 1 percent of estates ranged from 25 to 50 percent between 2016 and 2023.

What share of the estate tax is owed by nonresident decedents?

- On average, nonresident decedents accounted for 5.3 percent of the returns filed and 2.3 percent of the tax liability between 2016 and 2023. The median gross and taxable estate values were higher for nonresident decedents during this period, but the share of the estate that was taxable by Oregon was much lower.

How frequently are the natural resource credit and natural resource property exemption claimed?

- For tax years 2016 through 2022, the natural resource credit was claimed, on average, by 55 estates a year. The natural resource property exemption became available midway through tax year 2023. In response to the policy change, there has been a shift toward the exemption, instead of the credit, for estates with qualifying property.

How much revenue is collected from the estate tax each year?

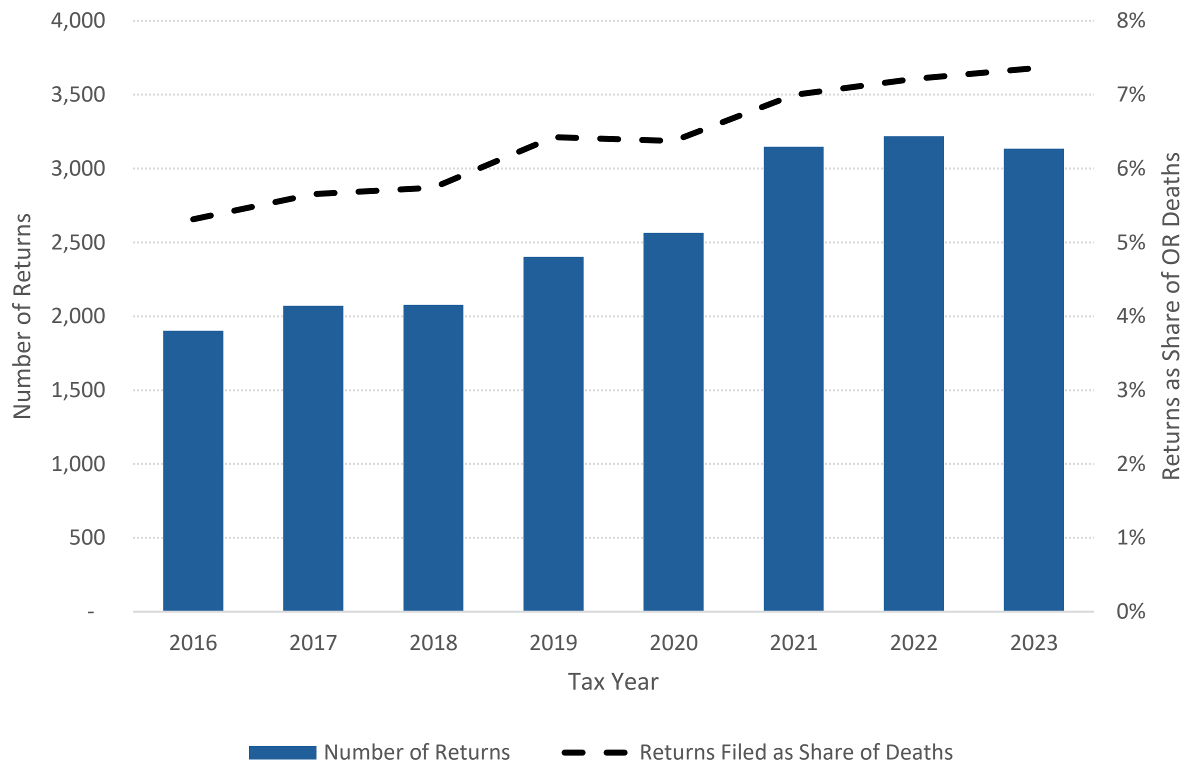
- Estate tax revenue reached $422.8 million in fiscal year 2025 and accounted for 2.8 percent of General Fund revenue in the 2023-25 biennium. The upward trend in receipts is due in part to steady year-over-year increases in the liability for estates with taxable values under $9.5 million. Also contributing is generally increasing liability for estates with taxable values over $9.5 million, though this is more volatile.

Number of Estate Tax Returns Filed

The executor of the decedent’s estate must file an Oregon estate tax return if the estate contains property that is taxable by Oregon and the gross value of the estate is $1 million or more. The number of returns filed as a share of deaths in Oregon has steadily increased over the last several years reaching 7.4 percent for tax year 2023 with 3,134 returns filed (Exhibit 6). Factors likely contributing to the increase in estate tax returns filed include an aging population (Exhibit A2) and growth in the value of assets such as house prices (Exhibit A3).

For decedents dying in 2023 a federal estate tax return filing is required if the gross estate value exceeds $12.92 million, the federal exemption amount. This requirement applied to 2.5 percent of estates filing an Oregon estate tax return for 2023.

Exhibit 6. Number of Oregon Estate Tax Returns Filed by Tax Year



Note: Number of deaths in Oregon reported by Oregon Health Authority's Center for Health Statistics

Decedent Characteristics

Ninety-five percent of decedents whose estate filed a return for tax year 2023 were Oregon residents, unchanged from the prior year. More than one third of returns filed did not have any tax liability. Decedents married at the time of their death often claim a marital property deduction to defer the tax until the second spouse dies and represent a large majority of the estates with no tax liability. Exhibit 7 presents characteristics of decedents whose estate filed a return for tax years 2016 through 2023.

Exhibit 7. Summary of Decedent Characteristics by Tax Year

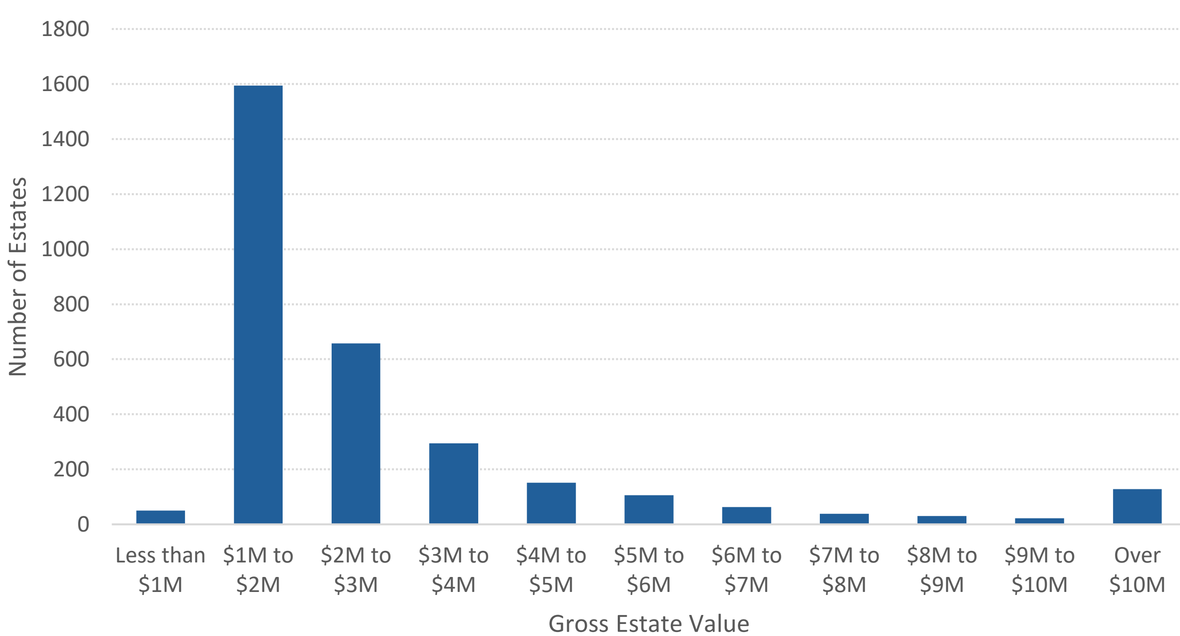
Tax Year	Number of Returns Filed	Average Decedent Age at Death	Share Oregon Resident	Share Married at Time of Death	Median Gross Estate Value	Share with Tax Liability (after credits)
2016	1,902	83.4	94%	37%	$1,699,000	63%
2017	2,071	83.5	93%	37%	$1,786,000	64%
2018	2,077	83.4	95%	38%	$1,730,000	63%
2019	2,403	83.9	94%	35%	$1,776,000	65%
2020	2,564	83.8	95%	35%	$1,833,000	65%
2021	3,147	83.8	95%	34%	$1,926,000	66%
2022	3,219	84.1	95%	36%	$1,893,000	64%
2023	3,134	84.2	95%	36%	$1,907,000	63%

Note: Median gross estate value is rounded to the thousands.

Gross Estate Values

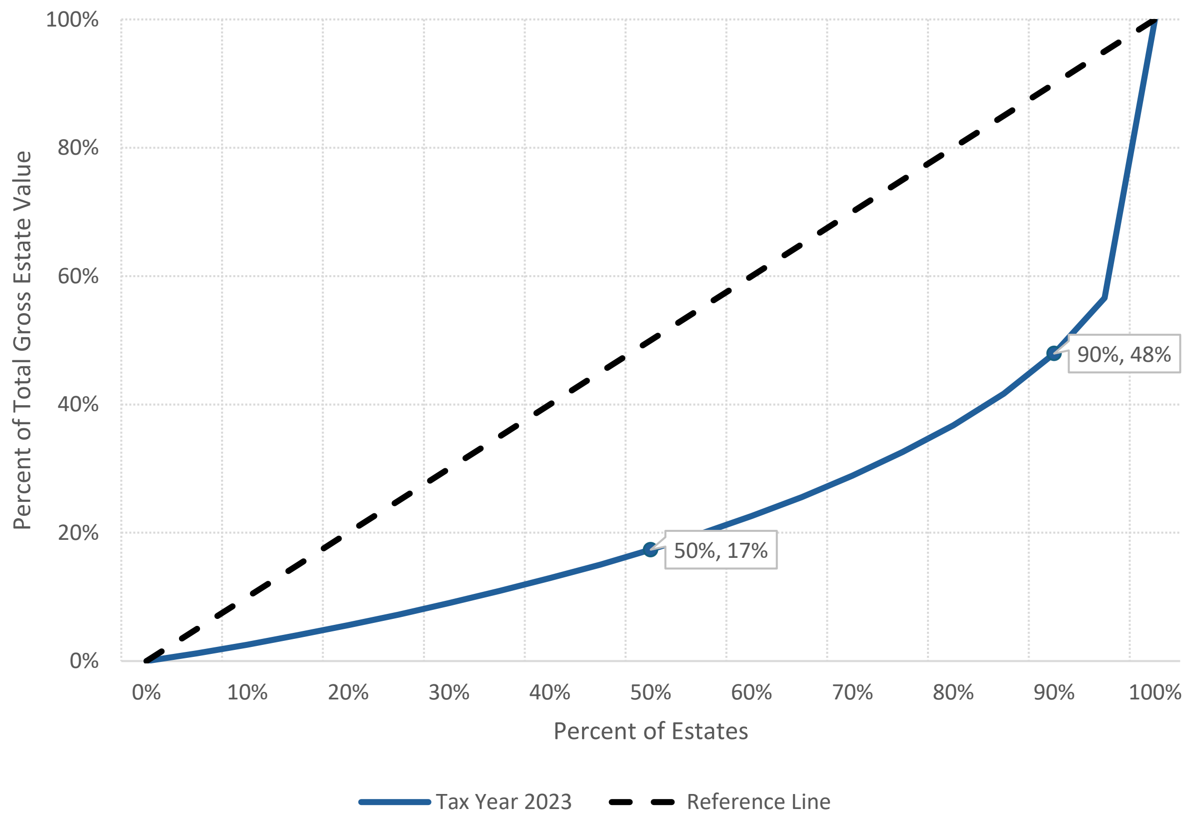
The median gross value of estates reported on tax year 2023 returns was $1.9 million, an increase of less than 1 percent from 2022. Estates with a gross value of less than $1 million are not required to file an Oregon estate tax return but represented 1.6 percent of returns filed for tax year 2023 (Exhibit 8). Ten percent of estates had a gross value greater than $5.6 million, and 1 percent of estates reported a gross value of more than $26.2 million for tax year 2023.

Exhibit 8. Distribution of Gross Estate Values (Tax Year 2023)



A small number of very large estates makes up the majority of the total value of estates subject to the tax. For decedents dying in 2023, the bottom 50 percent of estates (measured by gross estate value) accounted for 17 percent of the total gross estate value while the top 10 percent of estates accounted for 52 percent of the total reported value (Exhibit 9).

Exhibit 9. Distribution of Total Gross Value Across Estates Filing a Return (Tax Year 2023)



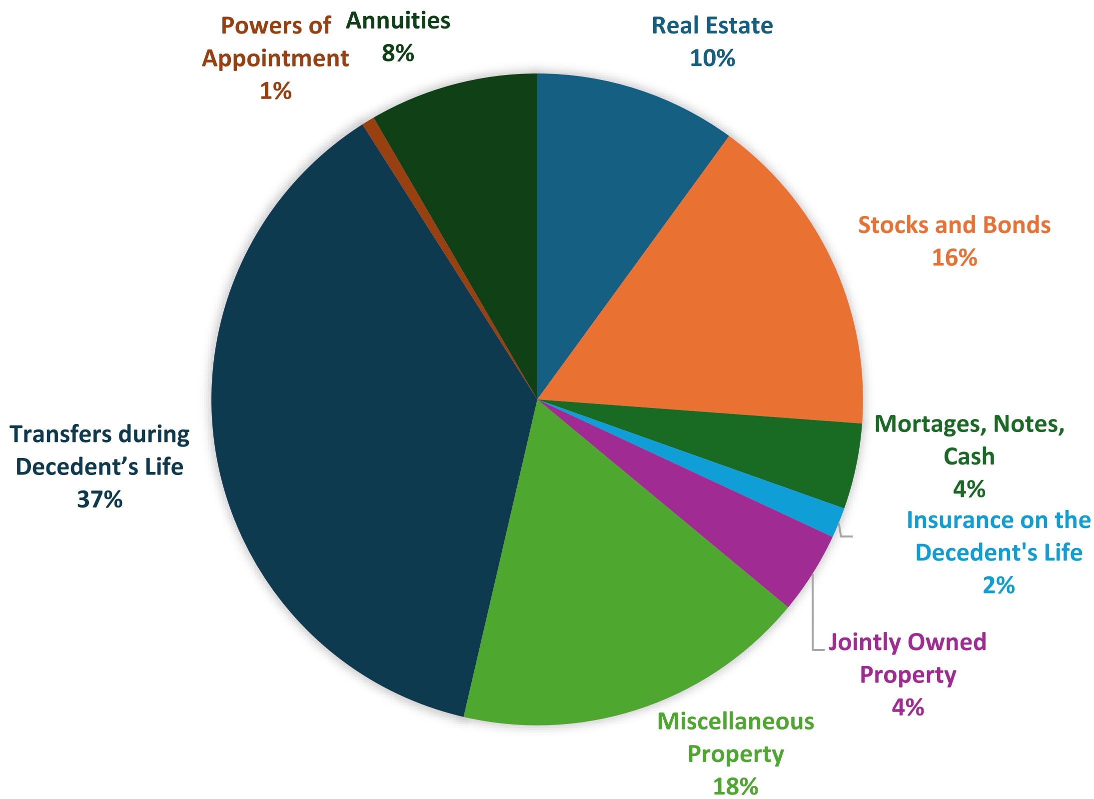
Note: The reference line is an example of what the curve would look like if all estates had the same gross value. The further the curve is below the reference line the more total estate value is concentrated in the largest estates.

Asset Composition of Estates

The asset composition of an estate is highly specific to the circumstances of each individual decedent and there aren't common compositions that can be easily generalized. Moreover, the ownership structure of an asset is a determining factor for how the asset is reported on the return. For example, real estate owned by the decedent or contracted to be purchased is reported as real estate, but real estate could also be reported as jointly owned property, part of a sole proprietorship (categorized as miscellaneous), transfers during the decedent's life, or power of appointment.

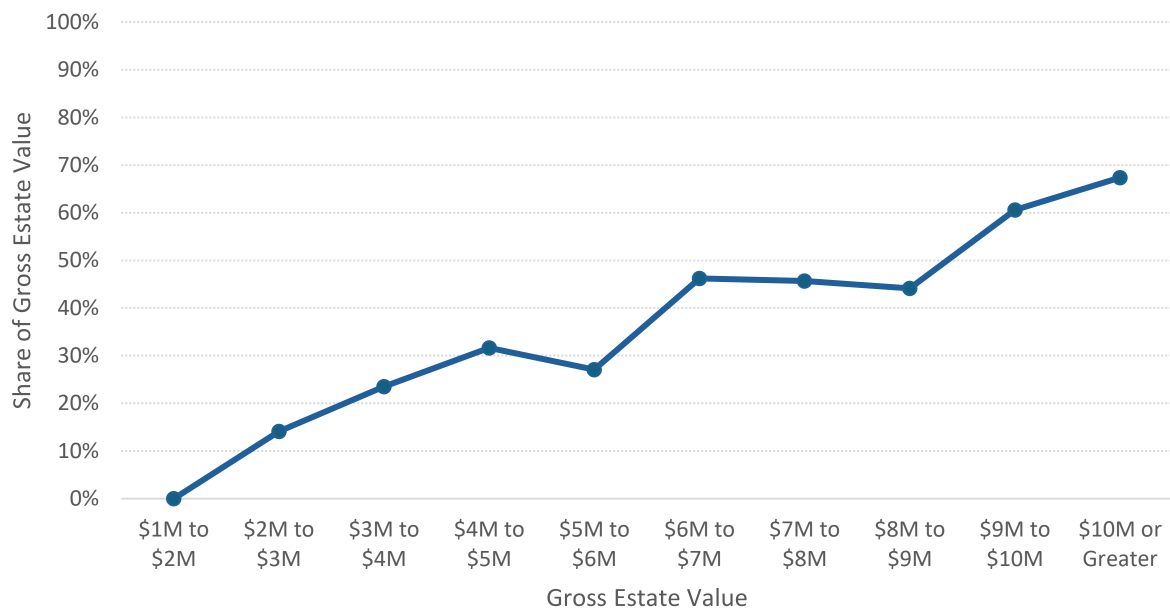
Transfers during the decedent's life, which include revocable trusts, transfers of ownership before death where the use of the asset was retained by the decedent, and transfers within three years of death, is the largest asset category, accounting for 37 percent of total gross estate value reported for tax years 2016 through 2023 (Exhibit 10).

Exhibit 10. Estate Composition: Asset Category as Share of Total Gross Value (Tax Years 2016-2023)



Underscoring the highly individualized nature of estates, some estates reported the entire estate's value as transfers during the decedent's life while other estates reported none of the estate's value in this category. As shown in Exhibit 11, the median share of an estate reported as transfers during the decedent's life increases with the gross estate value. More than half of estates with gross values between $1 and $2 million did not have any portion of the estate reported as transfers during the decedent's lifetime. In contrast, for estates with gross values of at least $10 million, the median share was 67 percent.

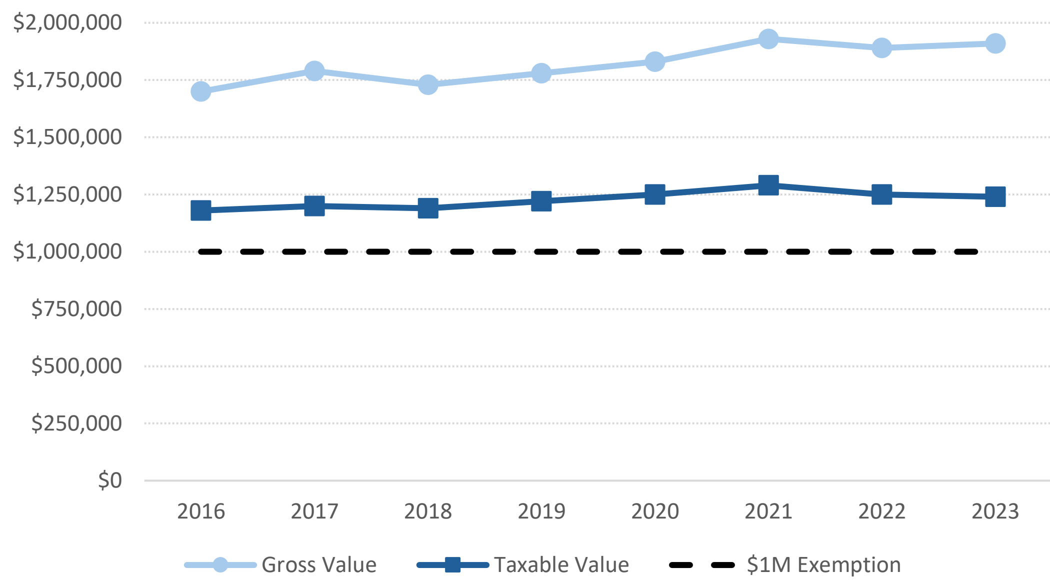
Exhibit 11. Median Share of Estate Value Reported as Transfers During Decedent's Lifetime (Tax Years 2016-2023)



Taxable Estate Values

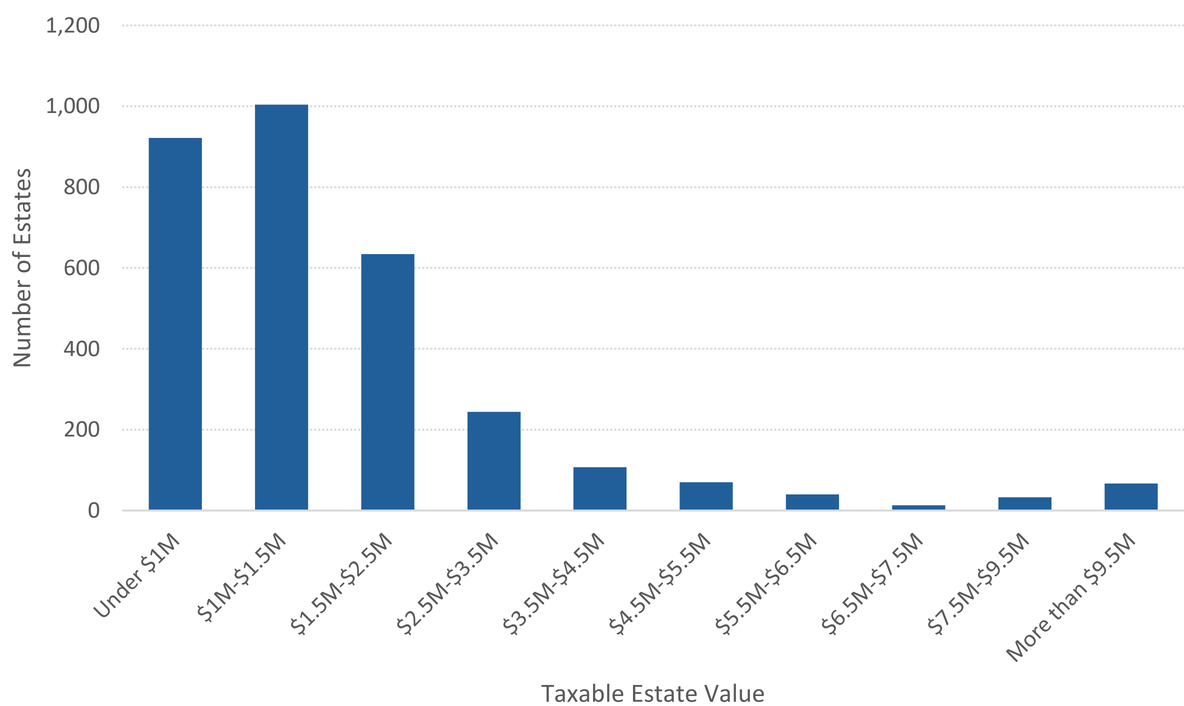
Deductions for funeral expenses, certain expenses incurred in administering property, debts of the decedent, mortgages and liens, net losses during administration, bequests to a surviving spouse, and charitable (or similar) gifts and bequests are allowed from the gross estate in calculating the taxable estate value. Deductions decreased the median value of estates from $1.9 million gross to $1.2 million in taxable value for 2023. Both median gross and taxable estate values displayed a slight upward trend from 2016 to 2023 (Exhibit 12). Exhibit 13 describes the distribution of taxable estate values for tax year 2023.

Exhibit 12. Median Gross and Taxable Estate Values



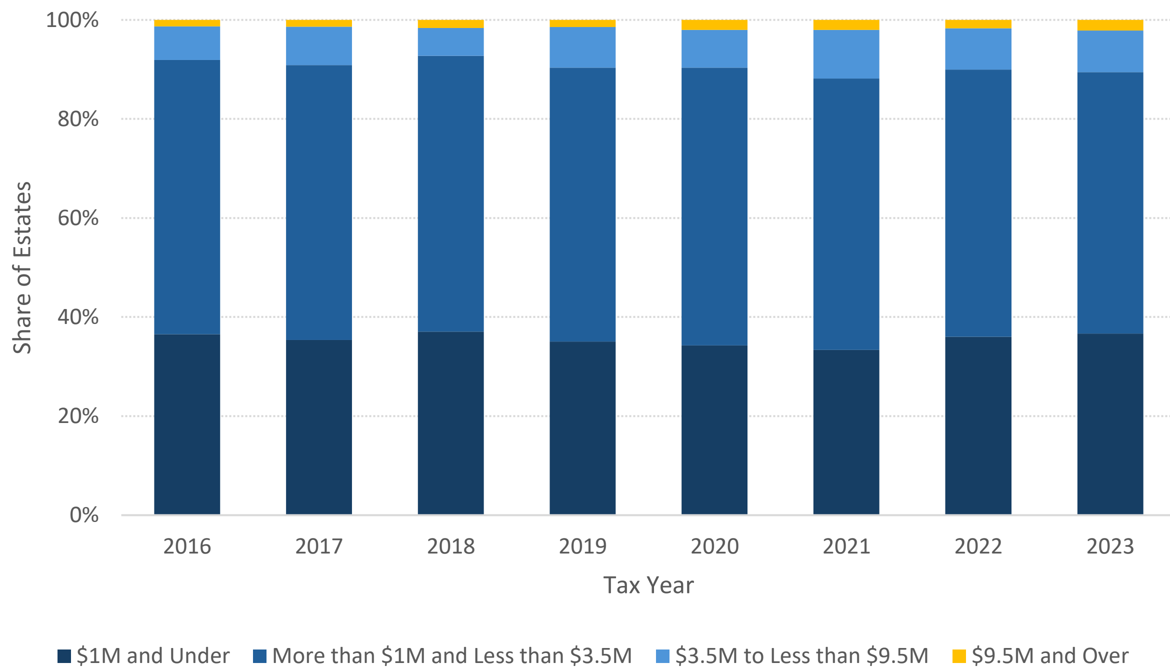
Note: Median gross and taxable estate values rounded to thousands.

Exhibit 13. Distribution of Taxable Estate Values (Tax Year 2023)



Growth in the number of returns filed between tax years 2016 and 2023 was widespread across taxable estate values. For the period, on average, 36 percent of estates reported taxable values of $1 million or less, 55 percent reported taxable values of more than $1 million and less than $3.5 million, 8 percent reported taxable values between $3.5 million and $9.5 million, and 2 percent reported values of $9.5 million or more. The yearly growth rate in the number of returns filed is particularly volatile for estates in higher taxable value ranges, due in part to the relatively small number of returns. However, the number of returns for estates with taxable values of $3.5 million or more grew at an average rate of 15 percent, compared to 7 percent for estates with taxable values less than $3.5 million (Exhibit 14).

Exhibit 14. Share of Estates by Taxable Estate Value Group



The $1 million threshold distinguishes estates without tax liability from those with tax liability, before any allowable credits are claimed. Exhibit 15 compares decedent and estate characteristics for estates at or below the $1 million threshold to those above it.

Exhibit 15. Comparison of Decedent Characteristics for Estates with Taxable Values above and below $1 Million (Tax Year 2023)

	Taxable Estate Value of $1 Million or Less	Taxable Estate Value Greater than $1 Million
Median Gross Estate Value	$1,890,000	$1,918,000
Percent Married	82%	9%
Percent Oregon Resident	97%	94%
Average Age at Death	81	86
Number of Returns	**1,150**	**1,984**

Note: Gross estate values rounded to thousands.

The median gross estate value is not significantly different across the groups. However, estates without tax liability are far more likely to be those of decedents married at the time of death. Exhibit 16 highlights the use of the marital property deduction as significant in reducing taxable estate values to $1 million or less for estates of married decedents.

Exhibit 16. Deductions as a Share of Total Gross Estate Value for Married and Not Married Decedents with Taxable Estate Values of $1 Million or Less (Tax Year 2023)

	Married	Not Married
Bequests to Surviving Spouse	84%	0%
Charitable Bequests	1%	34%
Natural Resource Property Exemption	0%	15%
Other (Funeral Expenses, administrative expenses, debts, net losses during administration)	5%	8%
Number of Returns	**942**	**208**

Estate Tax Liability

Total tax liability has generally increased over the last decade and reached $375 million in tax year 2023 (Exhibit 17). Growth has been driven by steady year-over-year increases in liability for estates with taxable values less than $9.5 million and a more volatile upward trend in liability for estates with taxable values of $9.5 million or greater (Exhibit 18). In tax year 2023, 63 percent of estates filing returns had liability. Average tax liability increased between tax years 2016 and 2023; and in 2023, for estates with tax liability, the median amount of tax was $59,000 and the mean amount was $190,000. (Exhibit 19).

Exhibit 17. Tax Liability (after credits) by Tax Year

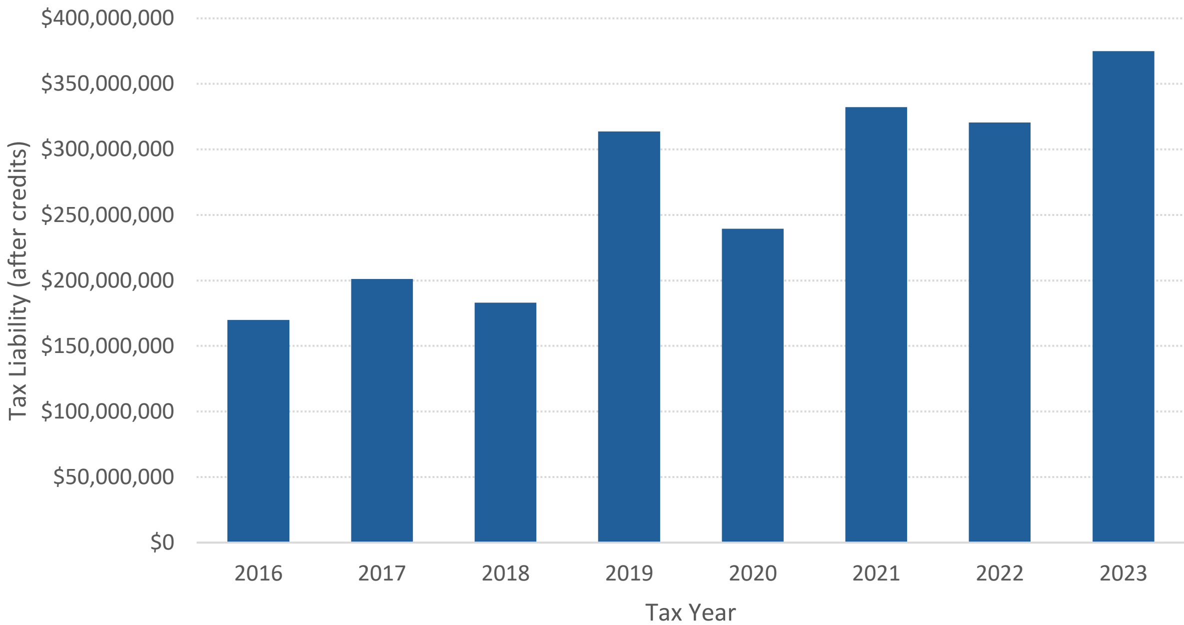


Exhibit 18. Tax Liability (after credits) by Taxable Estate Value

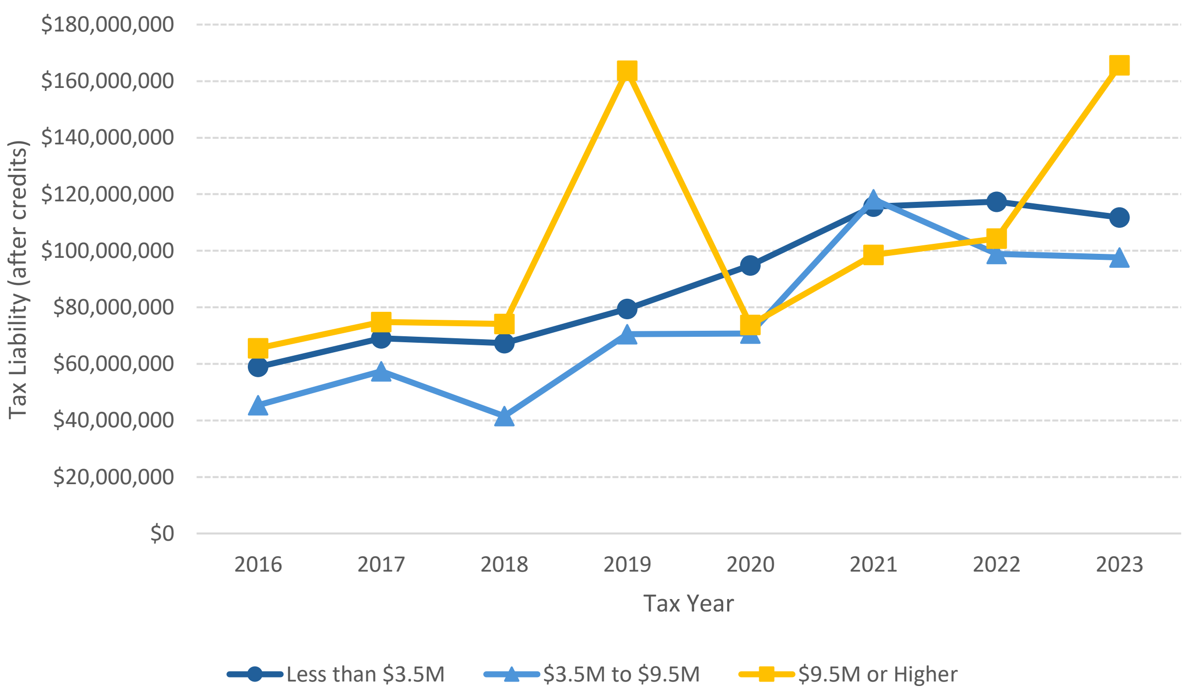
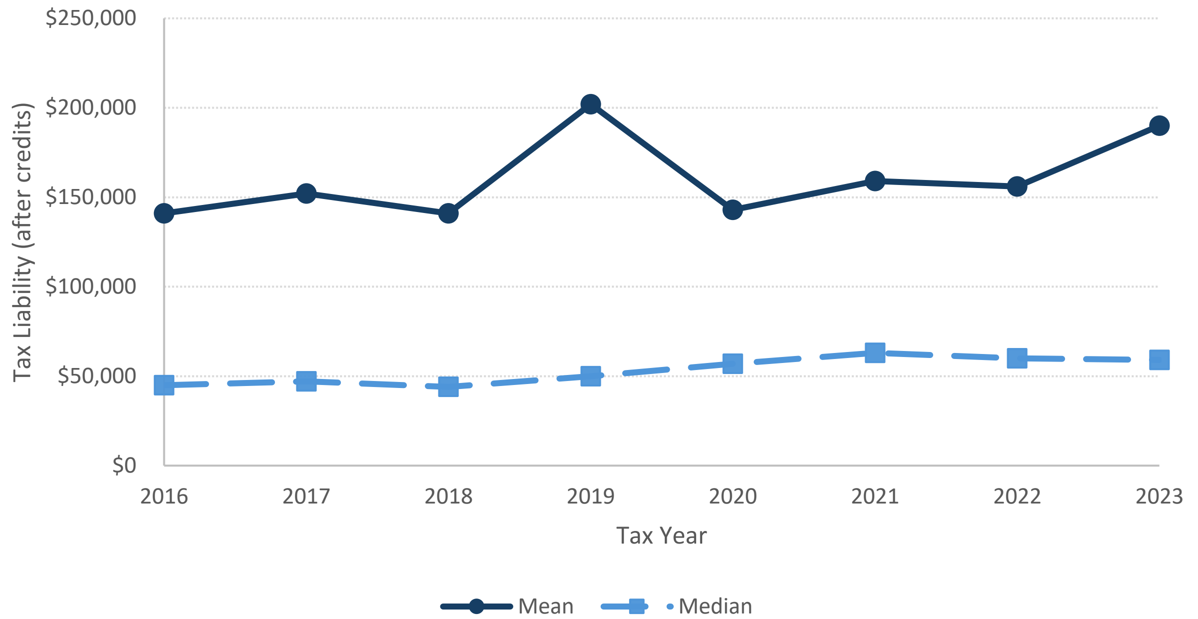


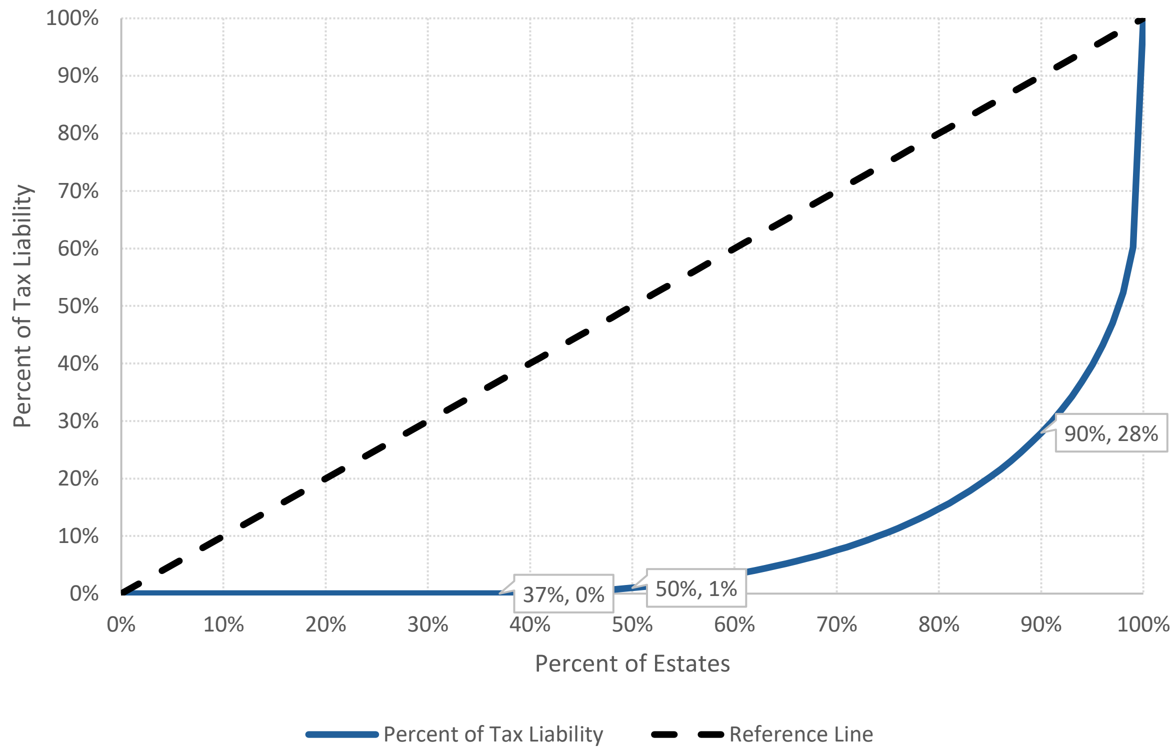
Exhibit 19. Mean and Median Tax Liability (for estates with tax liability after credits)



Note: Mean and median values rounded to the thousands.

A small number of estates pay most of the estate tax. For tax year 2023, the bottom 50 percent of estates, measured by tax liability after credits, accounted for 1 percent of the total liability and the top 10 percent of estates accounted for 72 percent of the total (Exhibit 20). For tax years 2016 through 2023, between 25 and 50 percent of the liability each year was accounted for by the top 1 percent of estates, with a median of 38 percent.

Exhibit 20. Distribution of Tax Liability (after credits) for Tax Year 2023



Note: The reference line is an example of what the curve would look like if all estates owed the same amount of tax. The further the curve is below the reference line, the more tax liability is concentrated in a small number of estates.

Nonresident Decedents

Estates of nonresident decedents with a gross value of $1 million or more including any interest in real property or tangible personal property located in Oregon are required to file an Oregon estate tax return. The estates of nonresident decedents accounted for 5.3 percent of returns filed between tax years 2016 and 2023. Over that period, the value of the estates of nonresident decedents tended to be higher than those of Oregon resident decedents. Nonresident decedents accounted for 4 percent of returns filed with a taxable estate value of less than $3.5 million; 14 percent of returns filed with a taxable estate value between $3.5 million and $9.5 million; and 29 percent of returns filed with taxable estate values over $9.5 million.

When an estate contains property located outside of Oregon, the tax is prorated according to the share of the gross estate that is taxable by Oregon. The taxability of the decedent's property for Oregon purposes depends on whether the decedent was a resident or nonresident of

Oregon. Real property located in Oregon and tangible personal property located in Oregon is taxable for the estates of all decedents. For Oregon resident decedents, intangible personal property is also taxable by Oregon (See Exhibit 3).

On average, 22 percent of the gross estate was property taxable by Oregon for nonresident decedents compared to 97 percent of the gross estate for Oregon resident decedents. Prorating the tax in this way reduces the relative share of tax liability for the estates of nonresident decedents. The estates of nonresident decedents accounted for 2.3 percent of tax liability (after credits) between 2016 and 2023. Exhibit 21 presents a comparison of estate value, percent of estate taxable by Oregon and share of tax liability for resident and nonresident decedents.

Exhibit 21. Comparison of Resident and Nonresident Decedent Estate Characteristics (Tax Year 2023)

	Oregon Resident Decedents	Nonresident Decedents
Percent of Returns	95%	5%
Percent of Tax Liability	97%	3%
Mean Oregon Percentage	96%	21%
Median Gross Estate Value	$1,870,000	$3,449,000
Median Taxable Estate Value	$1,220,000	$2,100,000

Note: Median gross and taxable estate values rounded to thousands

Natural Resource Credit and Natural Resource Property Exemption

As of July 1, 2023, two options exist for family run farm, forestry, or fishing businesses with property located in Oregon passed to a family member: the natural resource credit and the natural resource property exemption. An estate can’t claim both the credit and the exemption.

The natural resource credit is allowed for estates with total adjusted values of $15 million or less and reduces tax in proportion to the value of the natural resource property relative to the adjusted gross estate. The natural resource exemption removes up to $15 million in qualifying property from the taxable estate. In most cases, the exemption provides a greater tax reduction than the credit and has been the predominant claim for natural resource properties since it went into effect for decedent’s dying on or after July 1, 2023 (Exhibit 22).

Exhibit 22. Natural Resource Credit and Exemption Use by Tax Year

Tax Year	Number Claiming Credit	Total Credit	Number Claiming Exemption*	Tax Reduction from Exemption
2016	44	$6,079,000		
2017	50	$5,682,000		
2018	45	$5,160,000		
2019	52	$6,232,000		
2020	59	$7,943,000		
2021	75	$13,324,000		
2022	56	$9,308,000		
2023	48	$9,549,000	35	$6,722,000

Note: *The natural resource property exemption is available for decedents dying on or after July 1, 2023.

Estate Tax Revenue

Estate tax revenue, as a share of General Fund revenue, has been trending up. In the 2023-25 biennium, the estate tax accounted for 2.8 percent of total General Fund revenue (Exhibit 23). Estate tax receipts have increased from $102 million in fiscal year 2012 to $423 million in fiscal year 2025 (Exhibit 24). The growth in receipts is driven by steady year over year increases in tax liability for estates with taxable values less than $9.5 million and more volatile, but also increasing, liability for estates with taxable values over $9.5 million.

Estate tax payments tend to be received by the Oregon Department of Revenue just before they are due. The median number of days after the decedent's death payment was received increased from 273 days for tax years 2016 through 2021 to 360 days for tax year 2023 in response to the extension of the due date that took effect with tax year 2022.

Exhibit 23. Estate Tax Revenue as Share of General Fund Revenue

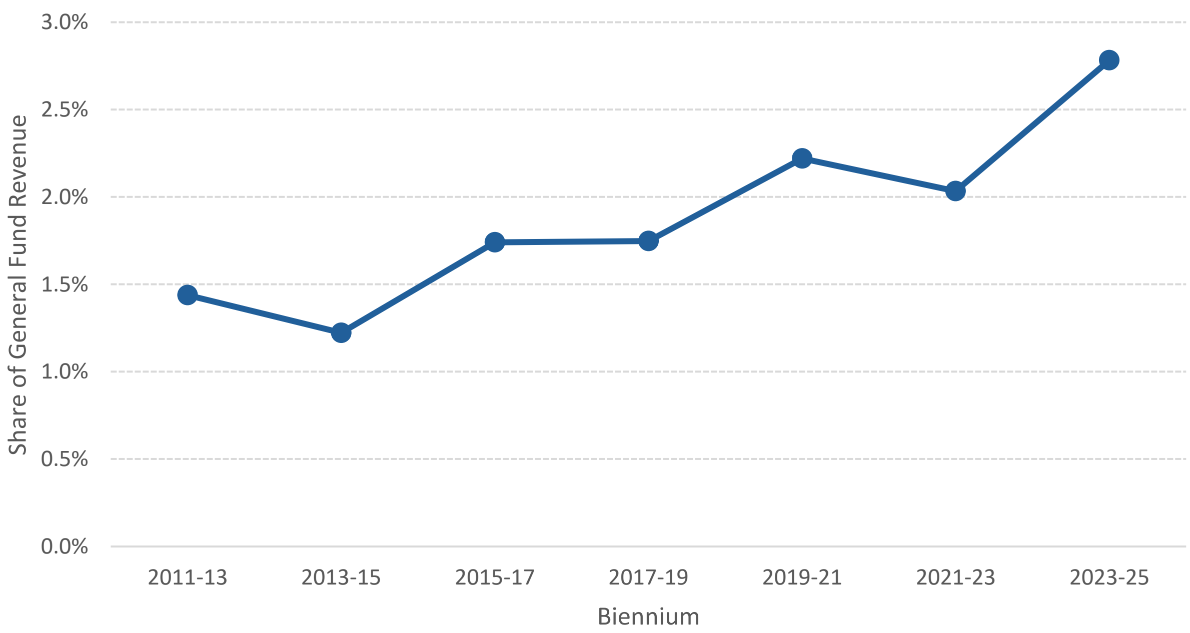
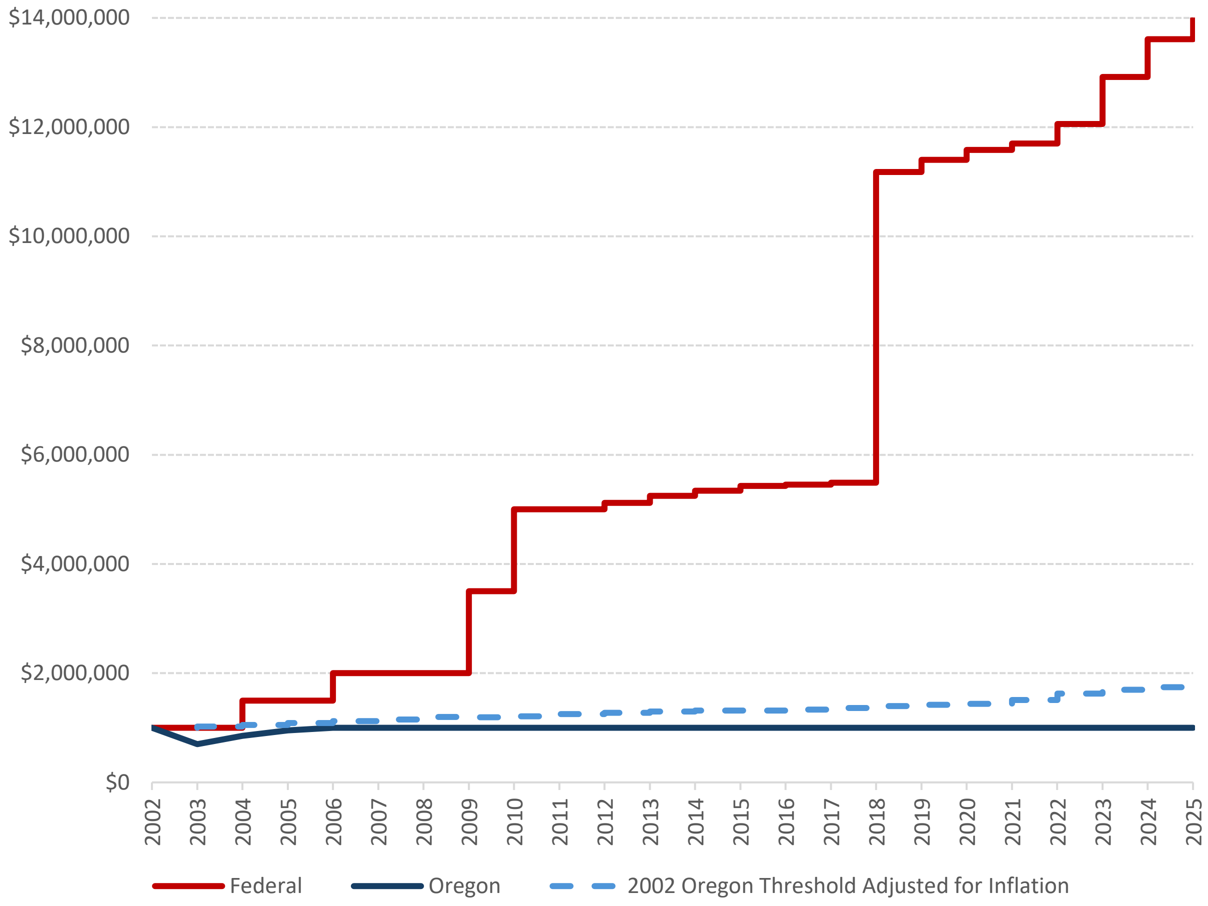


Exhibit 24. Estate Tax Receipts by Fiscal Year

Fiscal Year	Net Receipts
2012	$101,766,033
2013	$101,862,939
2014	$85,491,021
2015	$110,994,388
2016	$125,969,840
2017	$196,855,685
2018	$176,453,216
2019	$204,733,827
2020	$267,329,175
2021	$256,737,131
2022	$325,468,168
2023	$297,572,322
2024	$338,975,886
2025	$422,808,455

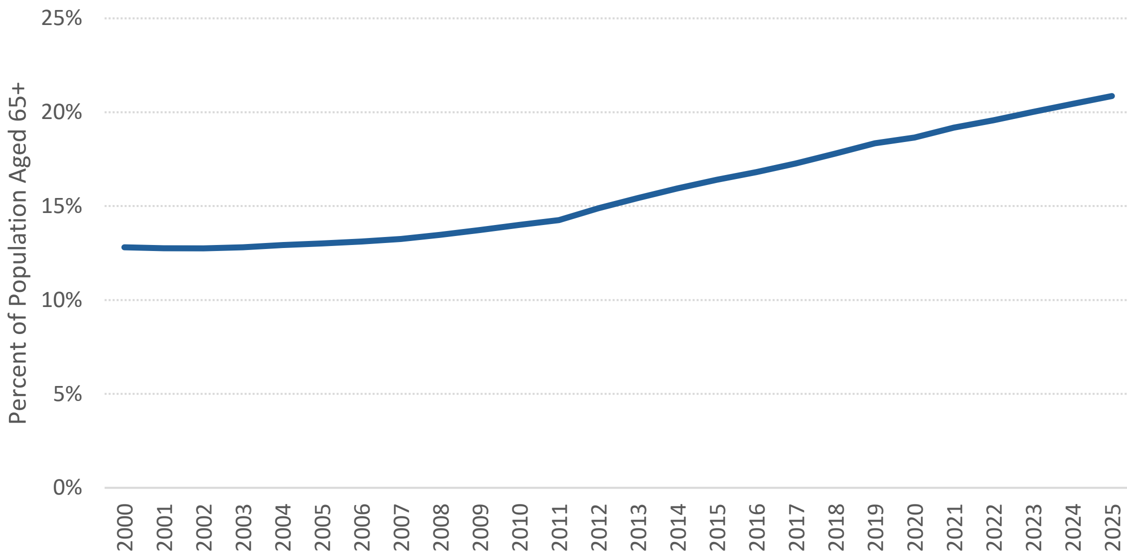
Appendix

Exhibit A1. Historical Oregon Inheritance/Estate Tax and Federal Estate Tax Filing Thresholds



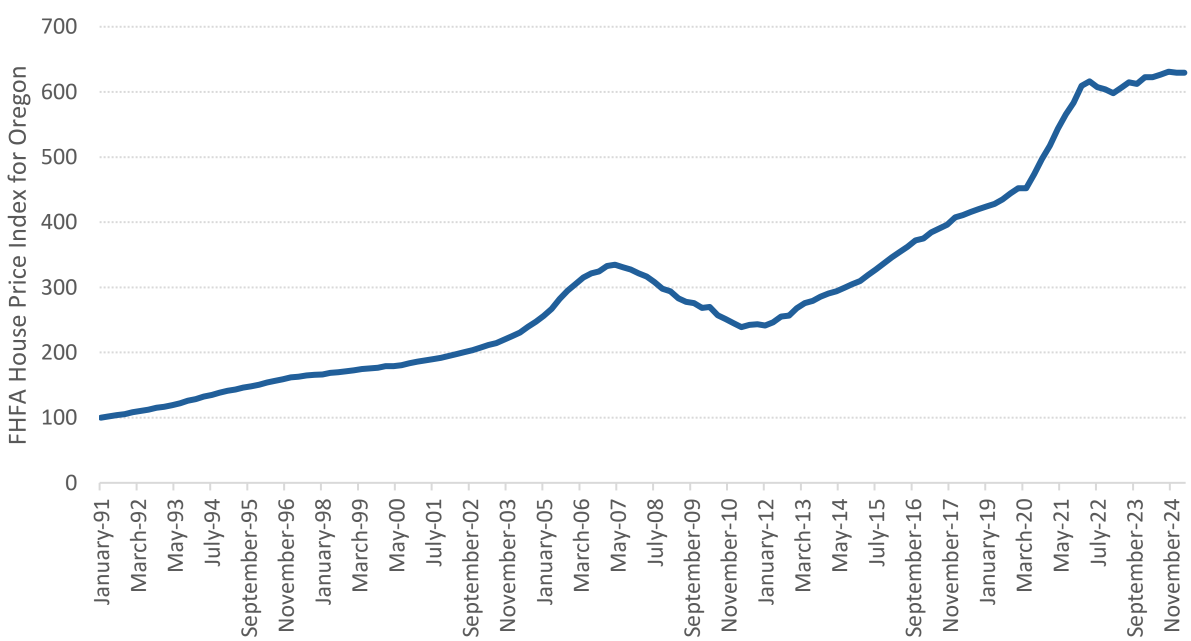
Note: 2002 Oregon Inheritance Tax filing threshold of $1 million adjusted for inflation using the Consumer Price Index (CPI) for All Urban Consumers: All items in U.S. City Average

Exhibit A2. Percent of Oregon Population Aged 65 or Older



Source: Oregon's Annual Population Forecast (Oregon Office of Economic Analysis)

Exhibit A3. Oregon House Price Index



Source: Federal Housing Finance Agency (FHFA) House Price Index (Purchase Only Index Seasonally Adjusted)