

Family Business Coalition to Congress: Vote to Repeal the Death Tax

July 17, 2012

The Honorable John Boehner
Speaker of the House of Representatives
H-232, United States Capitol
Washington, DC 20515

Dear Speaker Boehner,

The undersigned organizations are encouraged by your resolve for early action to stop the \$500 billion tax increase currently scheduled to take effect on January 1, 2013. “Taxmageddon” will result in an average tax increase of \$3,800 per American household, with 70% of the impact falling directly on low-income and middle-income families. We look forward to learning more about your efforts this month and throughout this year to prevent these job-killing tax increases from hitting American families, businesses, and workers.

One especially pernicious “taxmageddon” tax hike is the scheduled expansion of the death tax. Unless Congress acts, death tax rates will jump to a punitively-high 55% rate and slam many more Americans with a big tax bill when the exemption is lowered to just \$1 million. Under that policy, simply owning a small family businesses and a home could trigger a 55% tax at death, a serious burden on families and oftentimes an insurmountable hurdle when attempting to pass a family business or farm along to the next generation.

With this in mind, in addition to passing an extension of all current income tax rates, the undersigned organizations urge you to call a vote on the Death Tax Repeal Permanency Act (H.R. 1259) before the fall work period ends. Passing a full repeal bill will firmly align conservative grassroots activists and Members of Congress around a 0% death tax—one of many important priorities in any comprehensive tax reform plan.

Death tax repeal is a winner for the economy. Douglas Holtz-Eakin estimates that full repeal of the federal death tax would eventually create up to 1.5 million small business jobs. Steve Entin and Gary Robbins have shown that death tax repeal can actually increase overall tax revenues by fueling economic growth. Death tax repeal is also important to grassroots leaders like the millions of activists that our organizations represent; when polled, nearly 70% of Americans consistently supported full repeal of the death tax.

Moreover, a national surge towards repealing the death tax is being seen across the country in many state legislatures. Last year, Ohio fully repealed their state estate tax. President Obama’s home state of Illinois recently voted to double their estate tax exemption to help family businesses grow. Both Indiana and Tennessee voted this year to phase out their state death taxes. In Oregon, an initiative to repeal the state estate tax will appear on the November ballot—even in a solid “blue” state like Oregon, initial polling shows repeal winning by a 17% margin.

The death tax is unpopular everywhere, so it should be no surprise that the Death Tax Repeal Permanency Act is quickly approaching 218 bi-partisan cosponsors in the House. With nearly half the chamber already signed on to the bill, it would be a shame to fail to hold a vote on this important issue during this Congress.

As the close of the 112th Congress approaches, conservatives should fight to affirm the high moral position, shared by the large majority of the American public, that death simply should not be a taxable event in this country. As you work to quickly pass legislation to prevent a disastrous “taxmageddon,” we also look forward to working with you to repeal the death tax and end its harmful effects on the American economy.

Signed,

Jim Martin
Chairman,
60 Plus Association



Scott Jones
CEO,
Forest Landowners
Association



Rob Underwood
Manager of Congressional
Relations,
The Petroleum Marketers
Association of America



Grover Norquist
President,
Americans for Tax Reform



Jim Rowland
Executive Vice President,
Wine & Spirits Wholesalers of
America



Douglas K. Woods
President,
AMT – The Association For
Manufacturing Technology



Andrew Roth
Vice President of Government
Affairs,
Club for Growth



Stephen J. Entin
President & Executive Director,
Institute for Research on the
Economics of Taxation



Roy Littlefield
Executive Vice President,
The Tire Industry Association



Kirk McCauley
Service Station Dealers of
America and Allied Trades
(SSDA-AT)



Marta Gates
Director of Operations,
WMDA Service Station &
Automotive Repair Association



Danny Dructor
Executive Director,
American Loggers Council



Frank Stewart
Executive Director,
Forest Landowners Tax Council



J. Barry Epperson
General Counsel,
Associated Wire Rope
Fabricators



Ben Gann
Director of Legislative Affairs
& Grassroots Activities,
National Lumber and Building
Material Dealers Association



Jonathan Melchi
Director of Government Affairs,
Heating, Air-Conditioning &
Refrigeration Distributors
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Andrew Moylan
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American Conservative Union



Tim Phillips
President,
Americans for Prosperity



Dick Patten
President,
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Phil Kerpen
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Collin Hanna
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Matt Hawes
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Seton Motley
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Andrew Quinlan
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