



November 16, 2017

Congresswoman Kristi Noem
2457 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Noem,

On behalf of 150 small business organizations jointly representing millions of family businesses across the country, the Family Business Coalition thanks you for your leadership in helping to pass permanent death tax repeal as part of the *Tax Cuts and Jobs Act*. South Dakota family businesses, farms, and ranchers appreciate your leadership and are looking forward to the tax relief. More families in South Dakota are forced to file estate tax returns per capita than any other state and an overwhelming majority of South Dakota voters (75% according to a recent YouGov poll) support permanently ending the death tax. We urge you to continue your fight to see this important change through.

Our coalition supports your efforts to repeal the death tax for the following reasons:

Repealing the death tax would spur job creation and grow the economy. Many studies have quantified the potential job growth that would result from estate tax repeal. Last year the Tax Foundation found that the US could create over 150,000 jobs by repealing the estate tax. A 2012 study by the House Joint Economic Committee found that the death tax has destroyed over \$1.1 trillion of capital in the US economy – loss of small business capital means fewer jobs and lower wages. Lawrence Summers, former Secretary of the Treasury under President Clinton; Alicia Munell, member of President Clinton's Council of Economic Advisors; Joseph Stiglitz, a Nobel laureate for economics; and Douglas Holtz-Eakin, former CBO Director have all published work on the death tax's stifling effect on job growth and the economy as a whole. Earlier this year over 700 economists, including 4 Nobel Laureates, joined Milton Friedman's open letter calling for death tax repeal.

The death tax contributes a very small portion of federal revenues. The estate tax currently accounts for approximately one half of one percent of federal revenue. There is a good argument that not collecting the estate tax would create more economic growth and lead to an increase in federal revenue from other taxes. A 2016 Tax Foundation analysis found repeal of the death tax would increase federal income taxes by \$145 billion over 10 years using a more realistic, "dynamic" economic analysis. In addition, the death tax forces family businesses to waste money on expensive insurance policies and estate planning. These burdensome compliance costs make it even harder for business owners to expand their businesses and create more jobs.

A super-majority of likely voters support eliminating the death tax. Poll after poll has indicated that a super-majority of likely voters support repealing the estate tax. Typically, two-

thirds of likely voters support full and permanent repeal of the death tax. People instinctively feel that the estate tax is not fair. A national NPR poll conducted by Ipsos in April of this year showed that 76 percent of Americans supported repealing the death tax.

The death tax is unfair. It makes no sense to require grieving families to pay a confiscatory tax on their loved one's nest egg. Far too often this tax is paid by selling family assets like farms and businesses. Other times, employees of the family business must be laid off and payrolls slashed. No one should be punished for fulfilling the American dream.

Thank you again for your leadership on this important issue.

Best regards,

Palmer Schoening
Chairman
Family Business Coalition