



July 25, 2018

Congresswoman Kristi Noem
2457 Rayburn House Office Building
Washington, DC 20515

Dear Congresswoman Noem,

The undersigned organizations support the Family Business Legacy Act, H.R. 6329. This legislation creates parity in the tax code between the estate and gift taxes by allowing an estate tax deduction for contributions to 501(c)(4), (c)(5), and (c)(6) organizations.

The Tax Cuts and Jobs Act reduced the burden of the death tax on small businesses by doubling the current unified exemption. This was a welcome change for many businesses but for larger distributors, manufactures, farmers, and ranchers the death tax remains a hurdle to small business succession. While Congress continues to debate repealing the death tax entirely, our coalition supports changes that improve the current law by expanding the freedom of business owners to give to organizations that they support without being penalized by the outdated estate tax exemption laws.

In 2015, the PATH Act clarified that contributions to 501(c)(4), (c)(5) and (c)(6) organizations are not subject to the gift tax, which had previously caused confusion because the tax code did not expressly provide whether such contributions were subject to the tax. After many years of not imposing a gift tax, the IRS began attempting to do so in the context of 501(c)(4) organizations in 2010. The PATH Act finally resolved the incongruity in 2015. The undersigned organizations believe that the same clarification needs to be made for the estate tax.

This clarification which would apply to transfers made after the date of enactment, would align the estate tax with the change to the gift tax made by section 408 of the PATH Act of 2015 for gifts made to 501(c)(4), (c)(5), or (c)(6) organizations. The undersigned organizations support these important changes in the Small Business Legacy Act and we look forward to working with your office to see this improvement through.

Signed,



National Taxpayers Union



Americans for Tax Reform



Consumer Action for a Strong Economy



Institute for Liberty



Small Business & Entrepreneurship Council



Center for Individual Freedom



Americans for Prosperity



FreedomWorks



American Commitment



Frontiers of Freedom



National Black Chamber of Commerce



Hispanic Leadership Fund



Less Government



Taxpayers Protection Alliance



Campaign for Liberty



60 Plus Association



Family Business Coalition