

Family Business Estate Tax Coalition

October 12, 2010

Dear Representative:

On behalf of the Family Business Estate Tax Coalition (FBETC), we are disappointed that Congress failed to pass meaningful estate tax relief for family businesses and farms prior to adjourning for the November elections. Family businesses and farms need resolution now because at the end of 2010 the estate tax rate will increase to 55 percent and exemption amount will fall to \$1 million.

The significant cost to plan for the estate tax reduces investment in business growth and job creation, and is only made worse by the current uncertainty surrounding the tax. Without a permanent solution, there are no assurances that these businesses and family farms will continue to operate in future generations. The goal of the FBETC has always been full repeal of the estate tax, and we still believe this is the best solution to protect all family-owned businesses from the estate tax. While we understand that permanently extending full repeal may not be immediately possible, the FBETC has supported the Lincoln/Kyl proposal in the Senate and a similar bill in the House introduced by Rep. Berkley and Rep. Brady (H.R. 3905).

These bipartisan proposals increase the exemption level to \$5 million and reduce the rate to 35 percent. These proposals also ensure that any relief related to the exemption is tied to inflation and that stepped-up basis is included. The higher exemption level and reduced rate will lessen the burden of the estate tax and provide family businesses and farms with more capital to create much needed jobs and invest in their business.

Immediate estate tax relief is needed to ensure businesses can make sound economic decisions. We urge you to pass permanent estate tax relief with a \$5 million exemption and 35 percent rates as soon as possible.

Sincerely,

The Family Business Estate Tax Coalition

American Farm Bureau Federation ®
American Forest & Paper Association
American Foundry Society
AIADA, American International Automobile Dealers Association
American Rental Association
American Wholesale Marketers Association
AMT - The Association For Manufacturing Technology
Associated General Contractors of America
Communicating for America
Financial Executives International's Committee on Private Company Policy
Food Marketing Institute
Heating, Airconditioning & Refrigeration Distributors International (HARDI)
Independent Community Bankers of America
Independent Insurance Agents & Brokers of America
International Foodservice Distributors Association
International Franchise Association
International Sign Association
Marine Retailers Association of America
Mason Contractors Association of America
Mortgage Bankers Association
National Association of Home Builders
National Association of Manufacturers
National Association of Wholesaler-Distributors
National Automobile Dealers Association
National Beer Wholesalers Association
National Black Chamber of Commerce
National Cattlemen's Beef Association
National Federation of Independent Business
National Funeral Directors Association
National Grocers Association
National Lumber and Building Material Dealers Association (NLBMDA)
National Newspaper Association
National Restaurant Association
National Roofing Contractors Association
National Small Business Association
National Telecommunications Cooperative Association
National Tooling Machining Association
National Utility Contractors Association
Newspaper Association of America
North American Die Casting Association
Plumbing-Heating-Cooling Contractors – National Association

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Policy and Taxation Group
Precision Machined Products Association
Precision Metalforming Association
Printing Industries of America
Service Station Dealers of America and Allied Trades
Society of American Florists
The Bowling Proprietors' Association of America
Tire Industry Association
U.S. Chamber of Commerce
Wine & Spirits Wholesalers of America
Wine Institute
WineAmerica