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Statement for the Record  
U.S. House Ways and Means Committee  
“How the Tax Code’s Burdens on Individuals and Families  
Demonstrate the Need for Comprehensive Tax Reform”  
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Chairman Camp, Ranking Democratic Member Levin, and Members of the Committee, I appreciate the opportunity to share my concerns about the death tax.

I am one of many small business owners throughout America whose heirs will likely be forced to sell the business in order to pay the estate tax. The irony is that as an entrepreneur and small business owner, I am the very person that every member of congress claims to protect. My story demonstrates how the estate tax harms small businesses and thereby weakens the American economy.

My company, Grande Harvest Wines, is a retail merchant of fine wine and spirits with stores located in New York and Connecticut. The main store of Grande Harvest Wines is located in Grand Central Station, New York City. I have also opened a restaurant in Connecticut. My "wealth" – as far as the IRS will be concerned at the time of my death – is in my building space, my inventory, (shelves upon shelves of wines and spirits, food, and cooking utensils) and in my equipment and machinery. All of the company's cash assets are reinvested in the company in order to maintain inventory.

Due to the complexity of the state alcoholic beverage laws, I maintain multiple corporate entities. This means that my already limited capital is spread throughout my business in such a way as to make it near impossible to quickly raise large amounts of cash. My sons will have no easy way to pay my estate tax liability when I die and will likely need to sell assets in order to raise cash. Doing so will very likely render the business unprofitable and force its complete sale.

I am doing everything I can to avoid the sale of my business due to estate tax liabilities. I have purchased multiple life insurance policies, but these come at the cost of expensive premiums. I would rather reinvestment that money in the business and thereby create new jobs. The truly distressing fact is that even after misallocating hundreds of thousands of dollars on life-insurance premiums, the policies may yet fail to cover my estate tax liabilities.

Except for the estate tax, I see no reason why the company will not continue to grow and expand under my sons' leadership. Three of my sons are already learning the complicated business of importing and retailing wine from around the world. In time they will take over for me, assuming we have found a way to deal with the death tax.

I find it strange that Congress has not yet addressed a tax which falls so harshly on small business owners. This tax burdens the very people who are creating jobs and sustaining our economy.

I have worked hard my entire life, paid my share in taxes, served my country in Vietnam, and generously contributed to my local community. I have created more than twenty jobs and I provide my employees with generous benefits (including health coverage). It is nothing less than an outrage that my sons may lose the family business because of the death tax - the most unfair and un-American tax ever instituted!

I urge the Members of the House Ways and Means Committee to support passage of H.R. 1259, the Death Tax Repeal Permanency Act, or other legislation to permanently abolish the federal estate tax.