



Policy and Taxation Group

The Honorable Vern Buchanan, Co-Chair
The Honorable Allyson Schwartz, Co-Chair
Small Business/Pass-Through Working Group
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Lynn Jenkins, Co-Chair
The Honorable Joseph Crowley, Co-Chair
Income and Tax Distribution Working Group
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Policy and Taxation Group applauds your efforts to engage the public and thoroughly examine options for comprehensive tax reform through the Committee's 11 working groups. On behalf of small, medium and large family-owned businesses across America, we appreciate the opportunity to share our perspective with you. A member of the Family Business Estate Tax Coalition (FBETC), Policy and Taxation Group is dedicated to securing sustainable estate tax relief and repeal and eliminating the tax's destructive impact on families, family businesses, job creation, the national economy and government revenues.

We write to urge the Committee on Ways and Means, as part of comprehensive tax reform, to preserve and protect recently enacted estate tax relief and work toward ultimate repeal and replacement of the estate, gift and generation-skipping transfer (GST) taxes with a more reasonable and less burdensome form of taxation. By making death itself a taxable event, the estate tax threatens the viability and sustainability of family-owned businesses, places them at a competitive disadvantage and punishes thrift, savings and investment.

Comprehensive tax reform presents Congress with the opportunity to craft a simpler, fairer and less economically distortive tax code. No tax is as distortive of free, productive economic behavior as the estate tax, which compels family businesses to divert much-needed capital away from jobs and innovation into expensive planning and life insurance. It forces them to fear the consequences of an untimely death on their life's work and employees' future, prepare for a potential fire sale of business assets within nine months and struggle to compete with corporations that live in perpetuity unburdened by the estate tax. The estate tax unfairly punishes family-owned firms, undermining job creation and economic growth – two key objectives of tax reform.

Families are relieved that Congress took action through the American Taxpayer Relief Act to halt the return of a confiscatory 55% rate and \$1 million exemption and institute more reliable and reasonable parameters that enable families to plan. However, Congress must remember that family businesses remain burdened both during life and at death by this onerous tax, putting American jobs and American businesses at risk.

Support remains strong in Congress for further relief from the estate tax. On the House side, Congressman Kevin Brady's (R-TX) estate tax repeal bill was one of the very few measures able to earn cosponsorship from a bipartisan majority of members in 2012. On the Senate side, recent budget amendments offered by Senators John Thune (R-SD) and Mark Warner (D-VA) similarly demonstrated bipartisan support for relief, as evidenced by 80 votes for the Warner amendment.

Much more can and should be done to relieve this punitive, job-killing tax burden. As the Committee moves forward with the process of tax reform, please consider Policy and Taxation Group a resource for data, information and perspective regarding this important issue.

Best regards,

Jeff Cook-McCormac
President and CEO

Patricia Soldano
Founder