

**Statement by U.S. Representative Cynthia M. Lummis
Hearing on Certain Expiring Tax Provisions
Before the House Subcommittee on Select Revenue Measures
Ways and Means Committee**

Chairman Teber, I submit this statement to the Subcommittee as a request for a long term fix to the ever changing estate tax. Congress needs to provide certainty for estate planning as part of any larger tax reform package.

As someone who was raised on and still works a family-owned ranch, I understand the particular strain of the death tax on Wyoming's agricultural and small business community. Families should not be punished for working hard to build wealth for their families. I have fought for and continue to support a full repeal of the estate tax.

I also voted for last Congress' compromise to set the death tax at a rate of 35 percent with a \$5 million exemption for two years. This temporary fix expires at the end of 2012. Given our political climate, I would support a continuation of the current tax rate with the exemption indexed for inflation and a stepped up basis as a long term solution. Even worse than having a tax on estates is the uncertainty that is caused by constantly changing this tax.

Maintaining the stepped up basis for appreciated assets is key to this deal. Ownership of small businesses, farms and ranches is often a family affair and Congress needs to ensure family businesses can be maintained throughout generations. This is especially true when considering the aging of our agriculture sector.

While maintaining the estate tax is a policy of punishing Americans for building already-taxed wealth to pass on to their families, passage of a long term solution is better than allowing the rate to automatically increase. American business owners need the certainty that the death tax will not come back in full force in 2013. A tax rate of 55 percent on inheritances, with only \$1 million in assets exempted, is simply unacceptable.

I continue to support a full and permanent repeal of the death tax, but we need to provide Americans with permanent death tax relief as soon as possible. Thank you for your consideration.