

Senator John Thune 511 Dirksen Senate Office Building Washington, D.C. 20510

Dear Senator Thune:

The undersigned members of the Family Business Coalition strongly support your amendment to S. Con. Res. 8, the FY 2014 Senate Budget Resolution, creating a deficit-neutral reserve fund to provide for the full and permanent repeal of the estate tax.

We appreciate your work to lead the country towards a common sense tax code that does not impose a destructive double or triple tax at death. We support full and permanent repeal of the federal estate tax for the following reasons:

Repealing the death tax would spur job creation. According to a study by Douglas Holtz-Eakin, Ph.D, former Director of the Congressional Budget Office, the current 40 percent death tax is holding back the creation of nearly one million small business jobs. A 2012 Joint Economic Committee found that the estate tax has prevented \$1.3 Trillion in capital formation, which could have been used to increase employment and expand GDP.

The death tax contributes a very small portion of federal revenues. The death tax currently accounts for only ½ of 1 percent of federal revenue. There is a good argument, in fact, that not collecting the death tax would lead to higher economic growth and thereby increased federal revenue from other taxes. Former undersecretary of the Treasury, Steve Entin, found that repealing the estate tax would increase tax revenues by nearly \$89 billion over 10 years using a more realistic, "dynamic" economic analysis. The estate tax imposes burdensome compliance costs and forces family businesses to divert productive capital into large life insurance policies and expensive estate planning.

The death tax falls particularly hard on minorities. African-Americans have just in the last generation started accumulating generational capital, but the death tax threatens to confiscate it. Death tax liabilities bankrupted the Chicago Daily Defender – the oldest black-owned daily newspaper in the United States and will reduce net African-American wealth by 13%, according to a study conducted by Boston College professors John Haven and Paul Schervish. According to a 2004 Impacto Group poll, 50% of Hispanic business owners know someone who sold their business to pay the estate tax and a quarter expect to sell their business because of the estate tax.

A super-majority of likely voters support eliminating the death tax. Poll after poll has indicated that a super-majority of likely voters support repealing the death tax. Typically, two

thirds of likely voters support full and permanent repeal of the death tax. People instinctively feel that the death tax is not fair.

The death tax is unfair. It makes no sense to require grieving families to pay a confiscatory tax on their loved one's nest egg. Often, this tax is paid by selling family assets like farms and businesses. Other times, employees of the family business must be laid off and payrolls slashed. No one should be punished for fulfilling the American dream.

We thank you for your continued leadership on this important issue.

Signed,

Jim Martin Chairman, 60 Plus Association Chairman, Family Business Coalition



Harry Alford President, CEO, National Black Chamber of Commerce



Dan Hilton
Director of Government
Relations
American Supply Association



Grover Norquist President, Americans for Tax Reform



Jim Rowland Executive Vice President, Wine & Spirits Wholesalers of America



Douglas K. Woods President, AMT – The Association For Manufacturing Technology



Andrew Roth
Vice President of Government
Affairs,
Club for Growth



Mario H. Lopez President, Hispanic Leadership Fund



Jay Perron
Vice President, Government
Relations and Public Policy,
International Franchise
Association



Liam Donovan Director of Legislative Affairs Associated Builders and Contractors, Inc



Colin Hanna President, Let Freedom Ring



Jonathan Melchi Director of Government Affairs, Heating, Air-Conditioning & Refrigeration Distributors International (HARDI)

Heating, Air-conditioning & Refrigeration Distributors International

Andrew Moylan

Outreach Director and Senior

R Street Institute

Fellow.



J. Barry Epperson General Counsel, Associated Wire Rope Fabricators



Scott Jones CEO, Forest Landowners Association



Phil Kerpen President American Commitment

AMERICAN**COMMITMENT**

Roy Littlefield Executive Vice President, The Tire Industry Association



Brandon Arnold Vice President of Government Affairs National Taxpayers Union



Ben Gann
Director of Legislative Affairs &
Grassroots Activities,
National Lumber and Building
Material Dealers Association



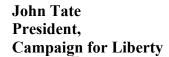
Ed Orlet
Vice President of Government
Affairs
National Association of
Electrical Distributors

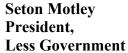


Paul Fiore Director, Government Affairs Automotive Aftermarket Industry Association



Al Cardenas Chairman, American Conservative Union











Dana Lee Cole Executive Director Hardwood Federation Kirk McCauley Service Station Dealers of America and Allied Trades (SSDA-AT)

Marta Gates
Director of Operations,
WMDA Service Station &
Automotive Repair Association







Palmer Schoening President, Schoening Strategies



Danny Dructor Executive Director, American Loggers Council



Lew Uhler President, National Tax Limitation Committee

