



May 12, 2021

Chairman Ron Wyden
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

Chairman Richard Neal
House Ways and Means Committee
1102 Longworth House Office Building
Washington, DC 20515

Ranking Member Mike Crapo
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

Ranking Member Kevin Brady
House Ways and Means Committee
1139 Longworth House Office Building
Washington, DC 20515

Dear Chairmen Wyden and Neal and Ranking Members Crapo and Brady,

I write on behalf of the Family Business Coalition to oppose the creation of a new capital gains tax due at death as called for in the administration's American Families Plan. Family businesses built through multiple generations that started with little or no basis could face crippling capital gains taxes under this proposal. This new capital gains tax imposed at death at a rate as high as 39.6% would come in addition to the current 40% estate tax and create yet another hurdle for family businesses hoping to pass to the next generation of ownership.

Recently, over 130 [House Republicans](#) signed a letter to House leadership opposing this change and 14 [House Democrats](#) wrote House leadership with concerns about protecting family businesses, farms, and ranches from the full brunt of this proposal. Over 154 small business associations and organizations support Reps. Jason Smith (R-MO) and Sanford Bishop's (D-GA) renewed efforts to repeal the unfair and economically harmful estate tax altogether. An additional capital gains tax due at death would target family businesses in a similar way to the estate tax — business may be inventory or land heavy but lack the cash on hand to pay a new massive capital gains tax upon the death of a business owner. Businesses that lack the liquid cash on hand to pay estate and capital gains taxes at death may be forced to fire workers, close branches, sell off equipment, or in the worst cases close the businesses altogether.

Family businesses, farms, and ranches are playing a central role in helping to bring back good paying jobs and restoring a healthy economy. Imposing yet another layer of taxation due at death would be counterproductive towards helping these small businesses keep their doors open and their workers employed.

Regards,

A handwritten signature in blue ink, appearing to read "Palmer Schoening".

Palmer Schoening
Chairman
Family Business Coalition



March 9, 2021

Senator John Thune
511 Dirksen Senate Office Building
Washington, DC 20510

Congressman Jason Smith
2418 Rayburn House Office Building
Washington, D.C. 20515

Dear Senator Thune and Congressman Smith:

The undersigned organizations support your bill, the *Death Tax Repeal Act*.

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 and grow the economy. Many studies have quantified the potential job growth that would result from estate tax repeal. In 2017, the Tax Foundation found that the US could create over 150,000 jobs by repealing the estate tax. A 2012 study by the House Joint Economic Committee found that the death tax has destroyed over \$1.1 trillion of capital in the US economy – loss of small business capital means fewer jobs and lower wages. Lawrence Summers, former Secretary of the Treasury under President Clinton; Alicia Munell, member of President Clinton's Council of Economic Advisors; Joseph Stiglitz, a Nobel laureate for economics; and Douglas Holtz-Eakin, former CBO Director have all published work on the death tax's stifling effect on job growth and the economy as a whole.

The death tax contributes a very small portion of federal revenues. The estate tax currently accounts for approximately one half of one percent of federal revenue. A 2016 Tax Foundation analysis found repeal of the death tax would increase federal income taxes by \$145 billion over 10 years using a more realistic, “dynamic” economic analysis. In addition, the death tax forces family businesses to waste money on expensive insurance policies and estate planning. These burdensome compliance costs make it even harder for business owners to expand their businesses and create more jobs.

A super-majority of likely voters supports eliminating the death tax. Poll after poll has indicated that a super-majority of likely voters supports repealing the estate tax. Typically, two-thirds of likely voters support full and permanent repeal of the death tax. People instinctively feel that the estate tax is not fair. A 2017 NPR/Ipsos Poll found that 65 percent of respondents favored repealing the estate tax, including 51 percent of self-identified Democrats polled.

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. Far too 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.

The negative effects of the estate tax make permanent repeal the only solution for family businesses and farms. Your legislation will help America's family businesses create jobs, expand operations, and grow the economy. We thank you for your leadership on this important issue.

Signed,



AMT – The Association For Manufacturing Technology



Food Marketing Institute



Agricultural Retailers Association



Heating, Air-conditioning, & Refrigeration Distributors International



National Association of Electrical Distributors



National Lumber & Building Material Dealers Association



National Cattleman's Beef Association



American Supply Association



National Cotton Council of America



International Franchise Association



National Grocers Association



Associated Equipment Distributors



ALEC Action



Hardwood Federation



National Confectioners Association



Decorative Hardwoods Association



American Trucking Associations



Institute For Liberty



AMAC Action



Air Conditioning Contractors of America



Americans for Tax Reform



Forest Landowners Association



Associated Builders and Contractors, Inc.



National Association of Home Builders



Global Cold Chain Alliance



American Commitment



Log Cabin Republicans



Consumer Action for a Strong Economy



National Insulation Association



North American Meat Institute



Metal Construction Association



Truck Renting and Leasing Association



Council for Citizens Against Government Waste



AmericanHort



Mason Contractors Association of America



Coalition of Franchisee Associations



Industrial Minerals Association - North America



International Sleep Products Association



National Taxpayers Union



Gases and Welding Distributors Association



NTCA – The Rural Broadband Association



Arizona Free Enterprise Club



ISSA—The Worldwide Cleaning Industry Association



Independent Lubricant Manufacturers Association



National Electrical Contractors Association



Plumbing-Heating-Cooling Contractors—National Association



NAHAD – The Association for Hose and Accessories Distribution



American Sheep Industry Association



Wine & Spirits Wholesalers of America



National Grange



Associated Wire Rope Fabricators



International Housewares Association



Energy Marketers of America



American Conservative Union



American Bus Association



Association of Equipment Manufacturers



American Foundry Society



National Industrial Sand Association



National Ready Mixed Concrete Association



Aeronautical Repair Station Association



Equipment Marketing & Distribution Association



National Club Association



National Christmas Tree Association



American Business Defense Council



Education Market Association



Frontiers of Freedom



Auto Care Association



National Black Chamber of Commerce



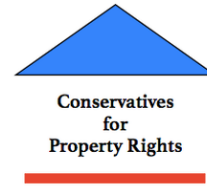
National Small Business Association



Club for Growth



National Association for the Self-Employed



Conservatives for Property Rights



American Loggers Council



The Dude Ranchers' Association



National Marine Distributors Association



International Association of Plastics Distribution (IAPD)



United States Cattlemen's Association



International Sign Association



Small Business & Entrepreneurship Council



Family Business Association of California



American Beverage Licensees



Professional Beauty Association



Material Handling Equipment Distributors Association



FreedomWorks



Americans for Prosperity



Kitchen Cabinet Manufacturers Association



Maryland Taxpayers Association



Land Improvement Contractors of America



American Horse Council



Center for Freedom and Prosperity



Franchise Business Services (representing Buffalo Wild Wings franchisees)



Tire Industry Association



Printing United Alliance



National Pasta Association



Kentucky Forest Industries Association



Independent Medical Distributors Association



Hispanic Leadership Fund



Association for Print Technologies



Irrigation Association



NACS – The Association for Convenience and Fuel Retailing



National Candle Association



Home School Legal Defense Association



Rural & Agriculture Council of America



American Moving & Storage Association



American Rental Association



Outdoor Power Equipment and Engine Service Association



Water & Sewer Distributors of America



National Wooden Pallet & Container Association



Independent Electrical Contractors

Independent Electrical Contractors



National Association of RV Parks & Campgrounds (ARVC)



NTEA – The Association for the Work Truck Industry



NATIONAL RENDERERS ASSOCIATION

National Renderers Association



Equipment Dealers Association



United Egg Producers

United Egg Producers



NATSO, Representing America's Travel Plazas and Truckstops



Metals Service Center Institute



Southeastern Lumber Manufacturers Association



National Franchisee Association (representing Burger King franchisee)



Competitive Enterprise Institute



Sazerac



Service Station Dealers of America and Allied Trades (SSDA-AT)



National Utility Contractors Association



National Community Pharmacists Association



Jewelry Industry Distributors Association



Financial & Security Products Association



Wholesale Florists & Florist Supplier Association



Retail Packaging Association



Fluid Power Distributors Association



International Sealing Distribution Association



Security Hardware Distributors Association



Equipment Services Association



U.S. Business and Industry Council



Window and Door Manufacturers Association



The Latino Coalition



Let Freedom Ring



Appalachian Hardwood Manufacturers Inc.



WMDA Service Station & Automotive Repair Association



60 Plus Association



Business & Institutional Furniture Manufacturers Association



Washington Area New Auto Dealers Association



Convenience Distribution Association



Distribution Contractors Association



National Tax Limitation Committee



Power and Communication Contractors Association



American Pipeline Contractors Association



American Values



American Civil Rights Union



Less Government



Campaign for Liberty



Center for Individual Freedom



Taxpayers Protection Alliance



Institute for Policy Innovation



Heritage Action for America



Family Business Coalition