

THE ESTATE TAX

D: Removing the Estate Tax is just another tax break for the wealthy.

R: **This unfair tax burdens a wide variety of taxpayers, but in particular it targets small businesses and family farms.** The tax encourages small farm owners and family business owners to sell out to large corporations to avoid the tax, rather than pass assets to inheritors. Many agricultural enterprises in particular are land rich and cash poor, so must sell the business or go into debt to pay the tax.

D: The wealthy can afford this tax, and they should pay it. There are more people in need of that money than themselves.

R: **Hard-working Americans should not be penalized with excessive taxes upon death for saving their money. This tax punishes thrift, savings, and responsibility; it encourages consumption.**

Most importantly, this is an instance of double taxation! Most of the assets covered by the tax have already been taxed during the person's lifetime.

D: The wealthy have money to give back to the government, whereas average Americans don't. The Estate Tax is necessary to fund many public projects.

R: **Less than 2% of the government's revenue is currently generated from the "Death Tax." In 2001, it was \$23.5 billion, just 1.4%. The tax is a poor producer of revenue.** The estate state is negligible for increasing the government's revenue...but valuable to those individuals who must pay it.

D: It is only the wealthy who want to see the Estate Tax repealed, and for their own benefit. Most Americans aren't extremely wealthy, so most Americans are unaffected by it and this support this tax.

R: **In a comprehensive 2006 Tax Foundation survey conducted by Harris Interactive, 68% of Americans supported repeal of the Estate Tax. The figure rose to 73% of *middle income* Americans (\$35,000-\$75,000).**

In the same survey, the tax was ranked the "least fair tax," topping even the income tax.

There is no partisan divide. Based on voting records it is clear that Democrats and Republicans have agreed that the tax represents double or triple taxation and that it is a punishment for those who have been successful.

Unless otherwise noted, all facts and statistics are courtesy of the American Family Business Institute.

