

Death Tax

Background

The federal death tax, or "estate tax," affects all Americans, especially small-business owners. The death tax weakens family investment in business growth and jobs, and too often, literally taxes family businesses out of existence. Permanently repealing the Estate Tax will continue to be a top tax issue for the United States business sector during the 110th Congress.

In 2001, Congress enacted a phaseout of the federal "death" tax, with its complete repeal scheduled to occur for one year in 2010. While that legislation was a significant moral and economic victory for the produce industry, the full economic potential of the death tax's repeal will only be achieved when Congress makes it permanent. The produce industry is comprised of many family owned and operated farming operations and business interests. To ensure continued successful operation of these businesses into the future it is necessary to allow the transfer of operations, without overwhelming tax burdens on future generations. The Tax Reform Act of 2001 phased out and temporarily repealed the estate tax, but it will return in 2011, if Congress does not act to permanently repeal it. The House of Representatives has repeatedly voted to completely repeal the Death Tax. The Senate has not had an up-or-down vote on permanent repeal since 2002 and needs to join the House and vote for total repeal.

During the 109th Congress, the U.S. House of Representatives passed H.R. 8, the Death Tax Repeal Permanency Act of 2005, which permanently repealed the estate tax. The legislation, introduced by Rep. Kenny Hulshof (R-MO) had more than 200 co-sponsors and passed by a vote of 272-162. Similar legislation was introduced in the Senate by Sen. Jon Kyl (R-AZ). However, the Senate chamber prevented the measure from ever reaching the Senate floor late this past summer. Although Senator Kyl continues to negotiate Senate action on the legislation, he has expressed recent uncertainty about the measure's ultimate fate on the Senate floor, especially now that the Senate leadership has changed. United Fresh has long supported the permanent repeal of the estate tax and the repeal of the estate tax remains an important priority for the American agriculture community, as many farming operations change hands with each generation.

Action

Urge your Member of Congress to support legislation that would permanently repeal the estate tax.