

Congress of the United States
Washington, DC 20515

December 6, 2012

The Honorable John Boehner
Speaker
U.S. House of Representatives
H-232 U.S. Capitol
Washington, DC 20515

The Honorable Harry Reid
Majority Leader
U.S. Senate
S-221 U.S. Capitol
Washington, DC 20510

Dear Speaker Boehner and Leader Reid,

Under current law, estates worth up to \$5.12 million are exempted from the federal estate tax and taxed at a top rate of 35 percent. If nothing is done to address the fiscal cliff this year, the estate tax will revert back to a \$1 million exemption and a top rate of 55 percent on January 1, 2013. Should Congress fail to act, according to the Ways and Means Committee, the changes will subject nearly 14 times as many small businesses and 24 times as many farms to the estate tax next year. Such a drastic tax hike would be a devastating blow to an already weak economy.

The estate tax is too often a killer of small businesses, farms, and ranches. Those who inherit family businesses and agricultural land do not always have the cash readily available to pay the estate tax and are forced to sell. Farmers and ranchers in particular are already struggling to figure out how they will pass on their operation to the next generation if the full weight of the estate tax falls upon them in 2013. If we, as a nation, hope to encourage our children to stay on their family farms, we must give them the opportunity to do so. Raising taxes on the transfer of their parents' farms is no way to achieve that result.

While a permanent repeal of the estate tax is ideal, we write today to stop the forthcoming tax hike on American businesses, farms, and families. At a minimum, we urge you to include a continuation of the \$5.12 million exemption and a 35 percent rate in any package relating to the fiscal cliff. The revenue generated by the estate tax is not the answer to solving the nation's \$1.1 trillion deficit and over \$16 trillion debt. In fact, according to *The Wall Street Journal*, the estate tax raised a mere \$7.4 billion last year and is projected to raise \$11 billion for the current fiscal year. This is less than 0.5 percent of federal tax revenue, and would only provide enough revenue to run the federal government for one day.

Americans deserve certainty regarding tax policies that involve passing ownership on from one generation to the next. Unfortunately, Washington has done little to provide that. We urge you to stop the impending tax hike on American businesses and farms, and find more effective ways to reduce our debt.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cory Gardner", written over a horizontal line.

Cory Gardner
Member of Congress

A handwritten signature in blue ink, appearing to read "Scott Tipton", written over a horizontal line.

Scott Tipton
Member of Congress

A handwritten signature in blue ink, appearing to read "Mike Coffman", written over a horizontal line.

Mike Coffman
Member of Congress

A handwritten signature in blue ink, appearing to read "Doug Lamborn", written over a horizontal line.

Doug Lamborn
Member of Congress