



Death Tax

Time for Congress to Act



- ▶ In rural America, the death tax is considered one of the leading causes of the breakup of multi-generation family farms and ranches.
- ▶ Most of the time, these assets have already faced taxes two and three times over the course of a lifetime.
- ▶ For asset-rich and cash-poor family businesses, the appraised value of rural land is extremely inflated when compared to its agricultural value.
- ▶ At the time of death, farming and ranching families are forced to sell off land, farm equipment, parts of the operation, or the entire ranch to pay off tax liabilities.
- ▶ Ultimately, death taxes hurt small and mid-sized family ranches, causing consolidation by bigger companies.
- ▶ This is not a tax on the wealthy elite in America. The wealthy can afford accountants and estate planners to help them evade the tax. It's a death warrant for small-to-medium sized family businesses.

Time is Short, Implications are Huge:

- * As of Jan. 1, 2010 the estate tax temporarily zeroed out for the year.
- * However, unless Congress acts, the estate tax will come back in 2011 at its staggering pre-2001 tax levels.
- * This means that next year, estates worth more than \$1 million would be taxed at a rate of **55 percent**.



NCBA Facts

Did you know?

96 percent of American farms & ranches are owned and operated by families. Eliminating the Death Tax is an important step in stimulating the nation's economy.



Nearly half of the 139,000 cattle producers NCBA represents operate businesses that have been in the family for more than 50 years.



15 percent of cattle producers operate businesses that have been in the family for more than 100 years.



Support Meaningful and Permanent Estate Tax Reform:

- ▶ Legislative proposals introduced in the U.S. Senate by Sens. Blanche Lincoln (D-Ark.) and Jon Kyl (R-Ariz.) and in the U.S. House by Reps. Shelley Berkley (D-Nev.) and Kevin Brady (R-Texas).
 - ▶ Both proposals would increase the exemption level to \$5 million and decrease the top rate to 35 percent.
 - ▶ Additionally, proposals ensure any exemption is indexed to inflation and includes a stepped up basis.
- ▶ Additionally, there is legislation introduced by U.S. Senator Dianne Feinstein (D-Calif.) to provide an exemption for land in production agriculture. However, farmers and ranchers believe exemption from the estate tax should cover all producers, thus, legislation should not include means testing through adjusted gross income limits or other exclusions precluding portions of the industry.