

House Concurrent Resolution No. 30

93RD GENERAL ASSEMBLY

5263L.011

1 **Whereas**, on June 7, 2001, President Bush signed the Economic Growth and Tax
2 Relief Reconciliation Act of 2001 which included a repeal of the estate tax, but not until the year
3 2010; and

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5 **Whereas**, the Economic Growth and Tax Relief Reconciliation Act of 2001 also
6 contained a sunset provision that brings the estate tax rules back in force in 2011, resulting in
7 only a one-year reprieve from the estate tax; and

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9 **Whereas**, under the current estate tax, heirs receive assets with a stepped-up basis
10 equal to the value of the asset on the date of death. Under the new rules set to take effect in 2011,
11 the stepped-up basis will only apply to \$4.3 million in assets passing to a spouse and \$1.3 million
12 in assets inherited by nonspouses, with all assets over those limits passed on without the stepped-
13 up basis; and

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15 **Whereas**, the estate tax is the leading cause of dissolution of most small
16 businesses, with 70% of businesses never passing to the next generation because of estate tax
17 rates of 37% to 55%; and

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19 **Whereas**, estate tax revenues amount to only 1.5% of federal revenue, but
20 according to the Cato Institute, compliance with the estate tax costs the economy as much as the
21 Treasury collects just to enforce it; and

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23 **Whereas**, Americans overwhelmingly agree it is wrong to tax property and
24 earnings that have already been taxed; and

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26 **Whereas**, the estate tax is contrary to the American values of saving and
27 investment because it penalizes individuals for saving, investing, and building successful farms
28 and businesses; and

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30 **Whereas**, on April 13, 2005, the United States House of Representatives voted to
31 permanently repeal the estate tax, but the vote in the United States Senate scheduled for
32 September 2005 was postponed so Congress could focus on Hurricane Katrina disaster relief;
33 and

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35 **Whereas**, in January 2006, President Bush, Vice President Cheney, and Senate
36 Majority Leader Frist have called for repeal of the estate tax with the following statements:

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38 (1) President Bush: "We thought it was unfair to say to a farmer and a small business
39 owner, the government is going to tax you twice, so we put the death tax on the road to
40 extinction....To keep this economy growing, to keep the entrepreneurial spirit alive, to make sure
41 that the United States of America is the most productive nation in the world, the United States
42 Congress must make the tax cuts permanent." (Chicago Board of Trade, 1/6/06);

43

44 (2) Vice President Cheney: "We gave new incentives to small businesses to expand, and
45 we put the unfair death tax on the road to extinction....For the sake of the economy, and for the
46 people who make it go, Congress must not raise taxes, and we need to make the Bush tax cuts
47 permanent." (Harley-Davidson Manufacturing Plant, Kansas City, Missouri, 1/6/06);

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49 (3) Senator Frist: "Sooner than later, I will take the elimination of the death tax to the
50 Congress floor....Now is the time to kill the death tax forever." (American Farm Bureau
51 Federation, 1/8/06); and

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53 **Whereas**, family farms and small family-owned businesses are especially
54 vulnerable to the unfair estate tax because most farmers and small business owners, unlike
55 corporate CEOs, have the entire value of their farm and business in their estate. While heirs to
56 a family farm or family business work to carry an enterprise to the next generation, the
57 government immediately "inherits" 37% to 55% of the estate, a blow that many family farms and
58 small businesses cannot survive; and

59 **Whereas**, the threat of the death tax forces family farmers and small business
60 owners to spend thousands of dollars on accountants, lawyers, and financial planners so that they
61 can try to ensure the survival of their family farms and small businesses after their death. For
62 many family farmers and small business owners, they have worked a lifetime building an estate
63 that the government has already taken its fair share from through the collection of income,
64 property, and other taxes, and the estate should not be taxed again upon the owner's death:
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66 **Now, therefore, be it resolved** that the members of the House of
67 Representatives of the Ninety-third General Assembly, Second Regular Session, the Senate
68 concurring therein, hereby urge the United States Congress to immediately enact legislation that
69 permanent repeals the estate tax which unfairly penalizes individuals for saving, investing, and
70 building successful farms and businesses; and
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72 **Be it further resolved** that the Chief Clerk of the Missouri House of
73 Representatives be instructed to prepare a properly inscribed copy of this resolution for each
74 member of the Missouri Congressional delegation.