

Please Oppose Legislation Repealing the Estate Tax, H.R. 1105

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April 12, 2015

Dear Representative:

We write to urge you to oppose H.R. 1105, legislation that would repeal the federal estate tax and give a huge tax cut to the wealthiest Americans, blow a hole in the deficit and slash revenue needed for new investments that make the economy more productive.

The estate tax exists to provide a meaningful check on the growing concentration of wealth, while generating revenue from those most able to pay and encouraging charitable giving. America is rapidly becoming divided between the extremely rich and everyone else. The [top 1% owns about 42%](#) of the nation's total wealth, nearly double the 23% owned by the bottom 90%. The estate tax is a small step to level the playing field and create an economy that works for all.

The arguments made for repealing the estate tax are fraudulent and cloak the real aim of this legislation, which is to provide a large tax cut to the wealthy. Today, [the vast majority of deaths – 99.8%](#) – do not trigger federal estate taxes, according to the Joint Committee on Taxation (JCT). Just 2 out of every 1,000 estates owe any estate tax. It is a tax paid by billionaires and millionaires – no tax is paid on an estate worth less than \$5.4 million for a single and \$10.9 million for a married couple. While the top estate tax rate is 40%, the [average tax rate paid is just 17%](#), according to the Tax Policy Center (TPC). Despite wild assertions to the contrary, only about [20 small business and small family farm estates](#) nationwide owed any estate tax in 2013, according to TPC.

The estate tax needs to be strengthened, not repealed. We believe the American people support such an effort. A recent [Pew Research Center poll](#) found that the chief complaint about the tax system held by 79% of the public (and *strongly* held by 61% of the public) is that the wealthy *don't pay their fair share of taxes*. This [compilation of tax questions](#) from polls in recent years mirrors these views.

Repealing the estate tax would lose [\\$269 billion in revenues over 10 years](#), according to the JCT. This is an unnecessary giveaway to the richest Americans, but it would have a big impact on the country. For example, the 10-year shortfall in the [highway and mass transit trust funds is \\$164 billion](#), according to the Congressional Budget Office. The cost of President Obama's proposal to provide all low- and moderate-income 4-year-olds with high-quality, publicly-funded preschool is [\\$75 billion over 10 years](#). This \$269 billion revenue loss is significantly more than the federal government will spend over 10 years on the Food and Drug Administration, the Centers for

Disease Control and Prevention, and the Environmental Protection Agency *combined*, according to the [Center on Budget and Policy Priorities](#).

People achieve significant wealth by various means – through birth, inheritance, hard work, brilliant ideas and good luck. But their success often depends on the benefits derived from public investments in infrastructure, education, research, and a legal system to protect property rights. If we continue to fail to make these investments, we will preclude future generations from the same wealth-creating opportunities that today’s millionaires and billionaires have enjoyed. No one is guaranteed success in America, but everyone deserves a fair shot to succeed. The promise of America should be for everyone, not just for the wealthy.

For all of these reasons, we strongly urge you to oppose H.R. 1105.

Sincerely,

[List in formation]

Americans for Tax Fairness, a coalition of [425 national and state organizations](#)

American Federation of State, County and Municipal Employees

Center for Effective Government

Coalition on Human Needs

Program on Inequality and the Common Good at the Institute for Policy Studies

Wealth for the Common Good