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## Americans for a Fair Estate Tax

*A coalition fighting to preserve  
a fair estate tax*

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May 19, 2010

Dear Senator:

We are writing to express our alarm that an apparent deal is being negotiated to weaken the estate tax beyond even the very generous 2009 levels as proposed in President Obama's budget. The discussion is being disguised as a "compromise" between lawmakers on both sides of the issue, but instead the proposal is being crafted entirely by senators that have consistently supported weakening or completely repealing the estate tax. In fact, this new "compromise," although camouflaged by phase-ins and deceptive budget tricks, is likely to ultimately result in the same costly giveaway proposed last year by Senators Lincoln and Kyl and added to the Senate budget resolution.

Reducing the estate tax is the wrong policy priority and the wrong fiscal priority. It is incomprehensible that more than \$250 billion in tax cuts for the nation's wealthiest families should be placed higher on Congress's agenda than extending tax cuts for the middle class or making improvements to the refundable tax credits permanent. Indeed, it is disturbing that cutting the taxes of wealthy trust fund heirs would even be on the agenda at a time when one in ten Americans is out of work, discretionary spending is being frozen, and budget deficits are looming.

Revenue from a robust estate tax could be used to save teacher jobs, to provide access to college, to finance critical health care research, to help struggling families, and to build the nation's infrastructure, or to reduce the continuing deficit. These investments can strengthen the recovery from the current economic crisis and put us on a path for long-term growth and shared prosperity.

The Administration's proposal to reinstate the 2009 estate tax exemptions and rates is more than generous and is projected to cost the country \$253 billion over ten years compared to current law. The country cannot afford additional tax cuts that benefit only the very wealthiest among us – the emerging proposal will cut the taxes of the richest 1 in 400 estates. The 2009 rules, with a \$7 million per couple exemption, already exempt the vast majority of small businesses and farms. The few that will pay the estate tax have several significant safeguards to protect them from having to liquidate any business or farm assets in order to pay the tax.

We are also extremely concerned about the budget gimmicks that will reportedly offset the cost of this windfall to the super rich. Proposals to phase in rate reductions or exemption increases only mask the enormous revenue loss in years outside the budget window. The same is true of proposals to allow estates to prepay the tax. The additional revenue in the first few years will be dwarfed by the cost of the provision over the long term. These irresponsible revenue losses cannot be tolerated when the country faces the deficits and debt levels that are projected. Any true revenue offsets, even within the estate tax, should be used to fund critical programs, to reduce the deficit, or to offset the already enormous cost of extending the 2009 rules. Another tax cut for the wealthiest estates in the country should not be anyone's priority.

We urge you to communicate your concern to leadership and to vote against any amendment that would further reduce revenue from the estate tax. We are counting on you to make the urgent needs of ordinary Americans and the long-term fiscal health of the country the top priorities for Congressional action.

Sincerely,

American Federation of Government Employees, AFL-CIO  
American Association of University Women (AAUW)  
American Federation of State, County, and Municipal Employees  
American Federation of Teachers  
Americans for Democratic Action, Inc.  
Americans for Responsible Taxes  
Campaign for America's Future  
Citizens for Tax Justice  
Coalition on Human Needs  
CommonGoods Network  
Communication Workers of America  
Community Action Partnership  
Economic Opportunity Institute  
Every Child Matters Education Fund  
Friends Community on National Legislation  
Institute for Policy Studies – Program on Inequality and Common Good  
Money With A Mission  
The National Advocacy Center Sisters of the Good Shepherd  
National Committee for Responsive Philanthropy  
National Education Association  
National Women's Law Center  
NETWORK: A National Catholic Social Justice Lobby  
OMB Watch  
Responsible Wealth  
RESULTS  
Sargent Shriver National Center on Poverty Law  
Service Employees International Union  
Sugar Law Center  
Tax Justice Network USA  
Unitarian Universalist Association of Congregations  
United Church of Christ, Justice and Witness Ministries  
United Food and Commercial Workers International Union  
United for a Fair Economy  
USAction  
US Public Interest Research Group  
Wealth for the Common Good  
Wider Opportunities for Women  
Working America  
YWCA USA