September 12, 2017

Majority Leader Mitch McConnell
United States Senate
S-230 The Capitol
Washington, DC 20510

Speaker Paul Ryan
United States House of Representatives
H-232 The Capitol
Washington, DC 20515

Chairman Orrin Hatch
Senate Finance Committee
219 Dirksen SOB
Washington, DC 20510

Chairman Kevin Brady
House Ways & Means Committee
1102 Longworth HOB
Washington, DC 20515

Dear Leader McConnell, Speaker Ryan, Chairman Hatch, and Chairman Brady,

The undersigned organizations appreciate your work to lead the country toward a commonsense tax code that does not impose a destructive double or triple tax at death. We support the inclusion of full and permanent repeal of the federal estate tax as part of comprehensive tax reform for these reasons:

Repealing the death tax would spur job creation and grow the economy. Many studies have quantified the potential job growth that would result from estate tax repeal. Last year the Tax Foundation found that the US could create over 150,000 jobs by repealing the estate tax. A 2012 study by the House Joint Economic Committee found that the death tax has destroyed over $1.1 trillion of capital in the US economy – loss of small business capital means fewer jobs and lower wages. Lawrence Summers, former Secretary of the Treasury under President Clinton; Alicia Munell, member of President Clinton's Council of Economic Advisors; Joseph Stiglitz, a Nobel laureate for economics; and Douglas Holtz-Eakin, former CBO Director have all published work on the death tax's stifling effect on job growth and the economy as a whole. Earlier this year over 700 economists, including 4 Nobel Laureates, joined Milton Friedman’s open letter calling for death tax repeal.

The death tax contributes a very small portion of federal revenues. The estate tax currently accounts for approximately one half of one percent of federal revenue. There is a good argument that not collecting the estate tax would create more economic growth and lead to an increase in federal revenue from other taxes. A 2016 Tax Foundation analysis found repeal of the death tax would increase federal income taxes by $145 billion over 10 years using a more realistic, “dynamic” economic analysis. In addition, the death tax forces family businesses to waste money on expensive insurance policies and estate planning. These burdensome compliance costs make it even harder for business owners to expand their businesses and create more jobs.
A super-majority of likely voters support eliminating the death tax. Poll after poll has indicated that a super-majority of likely voters support repealing the estate tax. Typically, two-thirds of likely voters support full and permanent repeal of the death tax. People instinctively feel that the estate tax is not fair. A national NPR poll conducted by Ipsos in April of this year showed that 76 percent of Americans supported repealing the death tax.

The death tax is unfair. It makes no sense to require grieving families to pay a confiscatory tax on their loved one’s nest egg. Far too often this tax is paid by selling family assets like farms and businesses. Other times, employees of the family business must be laid off and payrolls slashed. No one should be punished for fulfilling the American dream.

Repeal is supported by majorities in both chambers. In April 2015 the House of Representatives passed the Death Tax Repeal Act of 2015 (H.R. 1105) with bipartisan support 240-179. Similarly, in 2016 the Senate passed an amendment (S. Amdt. 607) calling for repeal of the estate tax as part of its FY2016 budget vote-a-rama; the amendment received 54 bipartisan votes. These votes show support for repeal from a bipartisan majority in the House and Senate.

The negative effects of the estate tax make repeal the only permanent solution for family businesses and farms. Estate tax repeal should be a key pillar of any comprehensive tax reform plan. We thank you for your continued leadership on this important issue.

Signed,

AMT – The Association For Manufacturing Technology
Food Marketing Institute
Agricultural Retailers Association

Heating, Air-conditioning, & Refrigeration Distributors International
National Association of Electrical Distributors
National Lumber & Building Material Dealers Association

Financial & Security Products Association
American Supply Association
National Cotton Council of America
NACS – The Association for Convenience and Fuel Retailing
National Candle Association
International Association of Refrigerated Warehouses

Independent Lubricant Manufacturers Association
Kitchen Cabinet Manufacturers Association
Maryland Taxpayers Association

Franchise Business Services (representing Buffalo Wild Wings franchisees)
Tire Industry Association
Printing Industries of America

Rural & Agriculture Council of America
American Moving & Storage Association
American Rental Association

Independent Electrical Contractors
National Association of RV Parks & Campgrounds (ARVC)
NTEA – The Association for the Work Truck Industry

NATSO, Representing America's Travel Plazas and Truckstops
Metals Service Center Institute
Southeastern Lumber Manufacturers Association
National Franchisee Association (representing Burger King franchisee)

Competitive Enterprise Institute

Sazerac

Service Station Dealers of America and Allied Trades (SSDA-AT)

National Utility Contractors Association

National Community Pharmacists Association

Jewelry Industry Distributors Association

National Roofing Contractors Association

Wholesale Florists & Florist Supplier Association

Window and Door Manufacturers Association

The Latino Coalition

Let Freedom Ring

Appalachian Hardwood Manufacturers Inc.

WMDA Service Station & Automotive Repair Association

60 Plus Association

Business & Institutional Furniture Manufacturers Association

Washington Area New Auto Dealers Association

Convenience Distribution Association