



## **LEGISLATIVE BUDGET & AUDIT COMMITTEE**

Representative Ralph Samuels, Chairman

### **Sponsor Statement**

#### **HR 7 Repeal Federal Estate Tax**

*"Urging the United States Congress to support, work to pass, and vote for the immediate and permanent repeal of the federal estate tax"*

The Economic Growth and Tax Relief Reconciliation Act of 2001 made significant changes to the U. S. Internal Revenue Code, including federal estate taxes.

As a result of this act, federal estate tax rates and exemption amounts have been gradually reduced between 2002 and 2009. In 2010, the federal estate tax is fully repealed.

EGTRRA is subject to a "sunset" provision, however, which results in an automatic reinstatement for the federal estate tax in 2011 unless Congress acts to permanently repeal the tax before then.

The federal estate tax, often referred to as a "death tax" has been described as one of the most inefficient taxes in America. It is very difficult for the government to administer and enforce and has resulted in creating a large estate-planning and avoidance industry.

This tax is an unfair burden placed upon America's small businesses and families during a time of grieving and pain. We should not penalize people for accumulating assets with income that has already been taxed and then expect their survivors to pay taxes on those assets once again through and estate taxes.

HR 7 urges the United States Congress to permanently repeal the federal estate tax.