

HOUSE RESOLUTION NO. 7

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES FAIRCLOUGH, Wilson

Introduced: 2/23/09

Referred: Judiciary

A RESOLUTION

1 **Requesting the United States Congress to permanently repeal the federal unified gift**
2 **and estate tax.**

3 **BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:**

4 **WHEREAS** the federal unified gift and estate tax generates a minimal amount of
5 federal revenue, especially considering the high cost of collection and compliance; and

6 **WHEREAS** this "death tax" has been identified as destructive to job opportunity and
7 expansion, especially to small businesses and minority entrepreneurs; and

8 **WHEREAS** this "death tax" causes severe hardship to growing family businesses,
9 often to the point of partial or complete forced liquidation, thereby depriving state and local
10 governments of an important ongoing source of revenue; and

11 **WHEREAS** our form of government is premised on the right to enjoy the fruit of
12 one's labor, to own one's own possessions, and to pass on one's bounty to one's heirs; and

13 **WHEREAS**, when a person works for a lifetime to build assets, saving and investing
14 money, building a business, or buying and developing real property, that person has a moral
15 right to pass those assets on to the person's family without being penalized with inheritance
16 taxes; and

1 **WHEREAS** there is a fundamental problem of double taxation when a decedent's
 2 survivors are forced to pay an inheritance tax on assets acquired by the decedent with after-
 3 tax dollars; and

4 **WHEREAS** we need a tax system that encourages lifelong saving, investment, and
 5 business activity, and not one that can result in heirs liquidating or selling the family
 6 businesses that are often asset-rich but cash-poor, thereby destroying those ongoing job-
 7 producing businesses simply to fund increased government consumption; and

8 **WHEREAS** critical state and local leadership assets are unnecessarily destroyed and
 9 forever lost to the future detriment of the community through relocation or liquidation; and

10 **WHEREAS** local and state schools, churches, and numerous charitable activities
 11 would greatly benefit from increased employment and continued family business leadership;
 12 and

13 **WHEREAS** a majority of Americans consistently finds the "death tax" to be the most
 14 unfair of all taxes and therefore favors total repeal of the tax; and

15 **WHEREAS** the "death tax" is scheduled to be completely phased out in 2010, only to
 16 revert back to a confiscatory 55 percent rate in 2011;

17 **WHEREAS** the persistent uncertainty created by sec. 901 of the Economic Growth
 18 and Tax Relief Reconciliation Act of 2001, which provides for the reinstatement of federal
 19 estate tax law for decedents dying after December 31, 2010, prevents families and small
 20 businesses from fully benefitting from the temporary repeal;

21 **BE IT RESOLVED** that the House of Representatives respectfully requests the
 22 United States Congress to permanently repeal the federal unified gift and estate tax effective
 23 immediately.

24 **COPIES** of this resolution shall be sent to the Honorable Barack Obama, President of
 25 the United States; the Honorable Joseph R. Biden, Jr., Vice-President of the United States and
 26 President of the U.S. Senate; the Honorable Nancy Pelosi, Speaker of the U.S. House of
 27 Representatives; the Honorable Timothy F. Geithner, United States Secretary of the Treasury;
 28 the Honorable Lisa Murkowski and the Honorable Mark Begich, U.S. Senators, and the
 29 Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress;
 30 and all other members of the 111th United States Congress.