

**Wally
Herger**
Congressman

2nd District - California

FOR IMMEDIATE RELEASE
APRIL 13, 2005

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HERGER VOTES TO MAKE DEATH TAX REPEAL PERMANENT

(WASHINGTON, D.C.) – Congressman Wally Herger (CA-2) was an original cosponsor of legislation, H.R. 8, the "Death Tax Repeal Permanency Act of 2005," approved in the House of Representatives. The bill was designed to ensure that relief from the death tax enacted almost four years ago will not expire in 2011.

"Hard working Americans shouldn't be forced to sell their family farm or small business just to pay their taxes," Congressman Herger stated. "But that's just what the death tax does."

"It has been nearly four years since President Bush signed his first tax relief into law. Thanks in large part to this and subsequent tax relief, the recession that began in the end of 2000 was one of the mildest in our nation's history. Passage of a permanent repeal of the death tax is the right policy for our rebounding economy, and could help add additional heat to the fire of small business and jobs growth in our country."

The death tax places tremendous hardship on small businesses and family farms. According to the National Federation of Independent Business, fewer than 30% of family businesses make it to a second generation of ownership, and 87% succumb before a third generation.

"The death tax unfairly taxes the death of our loved ones at the expense of the living," Herger said. "If a permanent repeal of this double taxation is not signed into law, these same farms and ranches stand to absorb a tax increase of over \$28.3 billion in 2011."

Video of Herger's Floor Statement Available in [RealPlayer](#) Format:

<http://www.house.gov/herger/images/DeathTax.rm>

For more information, log on to <http://www.house.gov/herger> on the Internet!

Text of Herger Floor Statement on Death Tax
April 13, 2005

MR. SPEAKER, I RISE IN STRONG SUPPORT OF LEGISLATION TO BURY THE DESTRUCTIVE DEATH TAX ONCE AND FOR ALL. NEARLY EVERYWHERE I GO THROUGHOUT MY LARGELY RURAL DISTRICT IN NORTHERN CALIFORNIA, I HEAR FROM BUSINESSMEN AND BUSINESSWOMEN, OFTEN FARMERS AND RANCHERS, WHO HAVE HAD TO LIQUIDATE AND SELL A FAMILY BUSINESS JUST TO PAY THE FEDERAL ESTATE TAX.

THIS IS SIMPLY WRONG. FOUR YEARS AGO, I JOINED WITH PRESIDENT BUSH AND A MAJORITY OF REPRESENTATIVES AND SENATORS IN AN EFFORT TO ENACT INTO LAW HISTORIC TAX RELIEF LEGISLATION, INCLUDING REPEAL OF THE DEATH TAX.

UNFORTUNATELY, DUE TO OUTDATED SENATE BUDGET RULES, THE 2001 TAX LAW WILL SUNSET ON DECEMBER 31, 2010. THIS HAS CREATED AN INCREDIBLY UNFAIR AND ARBITRARY SITUATION. CONSIDER THAT THE HEIRS OF THOSE WHO PASS AWAY IN 2010 WILL FACE NO DEATH TAX WHATSOEVER, WHILE THOSE WHOSE FAMILY MEMBERS PASS AWAY IN 2011 AND THEREAFTER WILL FACE TAX RATES OF UP TO FIFTY-FIVE PERCENT ON THEIR ASSETS.

CERTAINLY NO ONE CAN REASONABLY ARGUE THAT THIS IS RATIONAL TAX POLICY. FURTHERMORE, THE DEATH TAX EXTRACTS A HIGH COST FROM AMERICAN TAXPAYERS. STUDIES HAVE FOUND THAT FAMILY BUSINESSES SPEND NEARLY ONE-HUNDRED TWENTY-FIVE THOUSAND DOLLARS ON ATTORNEYS, ACCOUNTANTS AND FINANCIAL EXPERTS TO ASSIST IN ESTATE PLANNING. THESE DOLLARS COULD OTHERWISE BE USED TO MODERNIZE EQUIPMENT, EXPAND THE BUSINESS, AND CREATE JOBS.

MR. SPEAKER, THE DEATH TAX IS WITHOUT QUESTION ONE OF THE MOST DESTRUCTIVE, COUNTER-PRODUCTIVE AND UNFAIR PROVISIONS OF OUR TAX CODE. LET'S BURY THE DEATH TAX ONCE AND FOR ALL.

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Dial (202) 226-4766
At Prompt Enter 437419 and the # Key
Message will begin immediately.

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Alternatively, you can download the actuality at
<http://www.GOP.gov/medioclips/4374/19/437419.rm>

For more information, log on to <http://www.house.gov/herger> on the Internet!