

Family Business Estate Tax Coalition

July 19, 2010

Dear Senator,

On behalf of the Family Business Estate Tax Coalition (FBETC), we urge you to pass the bipartisan Lincoln-Kyl proposal to the Small Business Lending bill (H.R. 5297) to provide additional permanent relief from the estate tax. Family businesses and farms need resolution now because at the end of 2010 the top rate will be increased to 55 percent and exemption amount reduced to \$1 million.

The significant costs to plan for the estate tax reduces investment in business growth and job creation, and is only made worse by the current uncertainty surrounding the tax. Without a permanent solution, there are no assurances that these businesses and family farms will continue to operate in future generations. The goal of the FBETC has always been full repeal of the estate tax, and we still believe this is the best solution to protect all family-owned businesses from the estate tax. While we understand that full repeal may not be immediately possible, the FBETC supports the parameters outlined in the Lincoln-Kyl proposal.

The bipartisan proposal increases the exemption level to \$5 million, and reduces the rate to 35 percent, both phased-in over ten years. The Lincoln-Kyl proposal also ensures that any relief related to the exemption is tied to inflation and that stepped-up basis is included. The higher exemption level and reduced rate will lessen the burden of the estate tax and provide family businesses and farms with more capital to create much needed jobs and invest in their business.

The FBETC commends Senators Lincoln and Kyl for their leadership to provide estate tax relief to family-owned businesses and farms. We look forward to working with you and urge you to pass additional permanent estate tax relief as soon as possible.

Sincerely,

The Family Business Estate Tax Coalition

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American Farm Bureau Federation
American Foundry Society
American International Automobile Dealers Association
American Rental Association
American Wholesale Marketers Association
AMT -- The Association For Manufacturing Technology
Associated General Contractors of America
Association of Equipment Manufacturers
Bowling Proprietors' Association of America
Communicating for America
Comporium Group/Rock Hill Telephone Company
Financial Executives International's Committee on Private Company Policy
Food Marketing Institute
Independent Community Bankers of America
Independent Insurance Agents & Brokers of America
International Foodservice Distributors Association
International Franchise Association
Marine Retailers Association of America
Mason Contractors Association of America
Mortgage Bankers Association
National Association of Home Builders
National Association of Manufacturers
National Association of Wholesaler-Distributors
National Automobile Dealers Association
National Beer Wholesalers Association
National Black Chamber of Commerce
National Cattlemen's Beef Association
National Electrical Contractors Association
National Federation of Independent Business
National Funeral Directors Association
National Grocers Association
National Lumber and Building Material Dealers Association
National Newspaper Association
National Restaurant Association
National Roofing Contractors Association
National Small Business Association
National Telecommunications Cooperative Association
National Utility Contractors Association

Newspaper Association of America
North American Die Casting Association
Policy and Taxation Group
Plumbing- Heating-Cooling Contractors- National Association
Printing Industries of America
S Corporation Association
Society of American Florists
Tire Industry Association
U.S. Chamber of Commerce
Window and Door Manufacturers Association
WineAmerica
Wine & Spirits Wholesalers of America
Wine Institute