



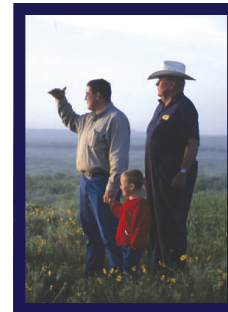
Death Tax

Hurting America's Legacy of Family Ranching



- ▶ In rural America, the death tax is considered one of the leading causes of the breakup of multi-generation family farms and ranches.
- ▶ Most of the time, these assets have already faced taxes two and three times over the course of a lifetime.
- ▶ For asset-rich and cash-poor family businesses, the appraised value of rural land is extremely inflated when compared to its agricultural value.
- ▶ At the time of death, farming and ranching families are forced to sell off land, farm equipment, parts of the operation, or the entire ranch to pay off tax liabilities.
- ▶ Ultimately, death taxes hurt small and mid-sized family ranches, causing consolidation by bigger companies.
- ▶ This is not a tax on the wealthy elite in America. The wealthy can afford accountants and estate planners to help them evade the tax. It's a death warrant for small-to-medium sized family businesses.

- Currently, the tax is set at 45% for estates worth more than \$3.5 million (or \$7 million for a couple).
- The President's budget proposed freezing the estate tax at this level so it could be dealt with at a later date.
- If Congress does not freeze the tax at this level, the estate tax would be eliminated completely in 2010. However, in 2011, it would revert to pre-2001 tax levels, and estates worth more than \$1 million would be taxed at a 55% rate.



NCBA Facts *Did you know?*

97% of American farms & ranches are owned and operated by families, so the elimination of the Death Tax is an important step in stimulating the nation's economy.



Nearly half of the 230,000 cattle producers NCBA represents operate businesses that have been in the family for more than 50 years.



15% of cattle producers operate businesses that have been in the family for more than 100 years.



Support an Exclusion of Farm Assets from the Estate Tax:

- ▶ Farmers and ranchers support an exclusion of farm assets from estate tax as long as the estate continues as a farming operation in addition to the highest estate tax exemption level possible.
- ▶ Specific agricultural relief would benefit the American public through greater food security, maintenance of important open space and environmental resources while also helping to preserve valued traditions and lifestyle.
- ▶ Farm estates are 5-20 times more likely to incur estate taxes than other estates, and it is estimated that one in ten farm estates (farms with sales of \$250,000 or more annually) are likely to owe estate taxes in 2009 according to the USDA Economic Research Service.
- ▶ Cosponsor H.R. 3524, the Family Farm and Conservation Preservation Act, sponsored by Congressmen Thompson (D-CA) and Salazar (D-CO), and support additional estate tax relief for agriculture operations in tax extender legislation.