March 15, 2016

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230, United States Capitol
Washington, DC 20510

CC: Senator Thune, Majority Whip John Cornyn, Senator Orrin Hatch, Congressman Kevin Brady, Speaker Paul Ryan

Dear Senator McConnell:

The undersigned organizations support a Senate vote on H.R. 1105, the House passed *Death Tax Repeal Act of 2015*.

The House of Representatives passed Congressman Brady’s (R-TX) *Death Tax Repeal Act of 2015* on a bipartisan basis last April which marked the first time in ten years that either body of Congress was put on the record on this important issue. This year, we urge the Senate to take the next step in the legislative process by bringing the House passed legislation to the floor for a vote. Senator Thune’s (R-SD) mirror legislation to the House passed bill, S.860, has already amassed support from the majority of the Republican caucus. We support full and permanent repeal of the federal estate tax for the following reasons:

**Repealing the death tax would spur job creation and grow the economy.** Many studies have quantified the job losses caused by the estate tax. A recent Tax Foundation study found that the US could create over 150,000 jobs by repealing the estate tax. A 2012 study by the House Joint Economic Committee found that the estate tax has destroyed over $1.1 trillion of capital in the US economy -- loss of small business capital means fewer jobs and lower wages. Lawrence Summers, former Secretary of the Treasury under President Clinton; Alicia Munell, member of President Clinton's Council of Economic Advisors; Joseph Stiglitz, a Nobel laureate for economics; and Douglas Holtz-Eakin, former CBO Director have all published work on the estate tax's stifling effect on job growth and the economy as a whole.

**The death tax contributes a very small portion of federal revenues.** The estate tax currently accounts for less than one percent of federal revenue. There is a good argument that not collecting the estate tax would create more economic growth and lead to an increase in federal revenue from other taxes. A 2016 Tax Foundation analysis found repeal of the estate tax would increase federal revenues by $3.3 billion per year using a more realistic macroeconomic analysis. In addition, the estate tax forces family businesses to waste money on expensive insurance policies and estate planning. These burdensome compliance costs make it even harder for business owners to expand their businesses and create more jobs.

**The death tax falls particularly hard on minorities.** The estate tax threatens to confiscate generational capital from African-American and minority communities. Estate tax liabilities
bankrupted the Chicago Defender – the oldest black-owned daily newspaper in the United States – and will reduce net African-American wealth by 13 percent, according to a study conducted by Boston College professors John Haven and Paul Schervish. According to a 2004 Impacto Group poll, 50 percent of Hispanic business owners know someone who sold their business to pay the estate tax and a quarter expect to sell their business because of the estate tax.

**A super-majority of likely voters support eliminating the death tax.** Poll after poll has indicated that a super-majority of likely voters support repealing the estate tax. Typically, two-thirds of likely voters support full and permanent repeal of the estate tax. People instinctively feel that the estate tax is not fair.

**The death tax is unfair.** It makes no sense to require grieving families to pay a confiscatory tax on their loved one’s lifetime savings. Often this tax is paid by selling family assets like farms and businesses. Other times, employees of the family business must be laid off and payrolls slashed. No one should be punished for fulfilling the American dream.

The negative effects of the estate tax make permanent repeal the only solution for family businesses and farms. Repealing the estate tax will help America’s family businesses create jobs, expand operations, and grow the economy. We thank you for your continued leadership on this important issue.

Signed,

AMT – The Association for Manufacturing Technology
American Dental Association
Food Marketing Institute
American Wholesale Marketers Association
Associated Equipment Distributors
American Supply Association
National Association of Electrical Distributors
National Cotton Council of America
National Lumber and Building Material Dealers Association