



July 24, 2012

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, D.C. 20510

Dear Majority Leader Reid and Republican Leader McConnell:

As members of the Family Business Estate Tax Coalition (FBETC), we are writing to oppose any effort that retreats from the 2010 compromise reached on the estate tax, and on the need to take action to prevent it from ensnaring thousands of new and unsuspecting family-owned businesses in 2013.

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. At a minimum, the FBETC supports maintaining current estate tax policy, with an exemption level at \$5 million and the maximum rate of 35%, until a permanent extension of current policy is enacted.

It is also imperative that any relief related to the exemption is indexed to inflation, provides for spousal transfer and includes stepped-up basis. Estate tax reform that includes these important components is critical for businesses and family farms that are struggling to create much needed jobs and expand their operations.

The FBETC strongly opposes efforts to alter the current estate tax policy. Members of the FBETC are very concerned about various proposals that have been suggested which would significantly deviate from the bipartisan agreement made in 2010. Furthermore, we believe it is essential that Congress act before the end of the year, or else the progress made on the estate tax will be undone by returning to the pre-2001 level of a \$1 million exemption and a 55% rate to estates, and eliminating the current policy on spousal transfer. Such an outcome would have a devastating impact on family-owned businesses and farms. The uncertainty of the current law has left many family-owned businesses and farms guessing about their estate tax liabilities and unable to make prudent business decisions.

The significant costs to plan for the estate tax reduce investment in business growth and job creation, which is only made worse by the current uncertainty surrounding the tax. Ultimately, a permanent solution is necessary because without it, there are no assurances that these businesses and family farms will continue to operate in future generations.

As the Senate considers proposals to address the fiscal cliff and the impending tax increases scheduled for January 1, 2013, we urge you to support estate tax relief which is needed to ensure businesses are able to make sound economic decisions. We look forward to working with you to address this issue as soon as possible.

Sincerely,

Air Conditioning Contractors of America
American Beverage Licensees
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 Builders and Contractors
Associated General Contractors of America
Bowling Proprietors Association of America
Communicating for America
Comporium Group/Rock Hill Telephone Company
Financial Executives International
Food Marketing Institute
Heating, Air-Conditioning & Refrigeration Distributors International (HARDI)
Independent Community Bankers of America
Independent Insurance Agents & Brokers of America
International Council of Shopping Centers
International Sign Association
Marine Retailers Association of the Americas
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 Confectioners Association
National Federation of Independent Business
National Funeral Directors Association
National Grocers Association
National Newspaper Association

National Propane Gas Association
National Restaurant Association
National Roofing Contractors Association
National Small Business Association
National Telecommunications Cooperative Association
National Tooling and Machining Association
National Utility Contractors Association
Newspaper Association of America
North American Die Casting Association
Petroleum Marketers Association of America
Plumbing-Heating-Cooling Contractors--National Association
Policy and Taxation Group
Precision Machined Products Association
Precision Metalforming Association
Printing Industries of America
Society of American Florists
U.S. Chamber of Commerce
Wine & Spirits Wholesalers of America
Wine Institute
WineAmerica