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National Cattlemen's Beef Association

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Time is Running out for Estate Tax Reform

Thirty Legislative Days Remain on Congressional Calendar this Year

WASHINGTON (July 12, 2010) – Only thirty legislative days are left on the Congressional calendar until the estate tax reverts back to its staggering pre-2001 levels. If Congress fails to act, starting Jan. 1, 2011, farm estates worth a mere $1 million will be taxed at a rate of 55 percent.

"If Congress does nothing, they're in essence handing down a death sentence to family-owned farming and ranching operations," said National Cattlemen's Beef Association President Steve Foglesong. "Taxing family farmers and ranchers out of business will have serious impacts on all Americans, not just in our rural communities."

The estate tax, commonly known as the "death tax," disproportionately hits agriculture. Ninety-seven percent of American farms and ranches are owned and operated by families, and the tax is considered one of the leading causes of the breakup of multigenerational family farms and ranches.

"The death tax promotes the breakup of farms and ranches and the degradation of our nation's natural resources and wildlife habitat," said Public Lands Council President Skye Krebs. "Family famers and ranchers not only produce the nutritious food and fiber to feed the world's growing population, they also serve as stewards of the land, air, and water that make our way of life possible."

Because farm and ranch assets consist mainly of land, buildings, and specialized equipment, these estates may look wealthy on paper, but they include few saleable assets and little liquidity to pay estate taxes.

"This is not a tax on the 'wealthy elite.' The wealthy can afford accountants and estate planners to help them evade the tax. This is a death warrant for small-to-medium sized family businesses," Foglesong continued. "Farmers and ranchers are often forced to sell land, equipment, or the even the entire ranch just to pay off tax liabilities. This is money that could otherwise be reinvested to grow the family business and hand it down to future generations."

Farm and ranch estates are five to 20 times more likely to incur estate taxes than other estates. According to the USDA Economic Research Service, one in 10 farm estates (farms with sales of $250,000 or more annually) were likely to owe estate taxes in 2009.

“Preserving the legacy of American agriculture for future generations should not be a political issue,” said Foglesong. “At the end of the day, we’re simply asking for the ability to keep our farms and ranches in production and hand them down to future generations.”

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*The National Cattlemen's Beef Association (NCBA) has represented America's cattle producers since 1898, preserving the heritage and strength of the industry through education and public policy. As the largest association of cattle producers, NCBA works to create new markets and increase demand for beef. Efforts are made possible through membership contributions. To join, contact NCBA at 1-866-BEEF-USA or **membership@beef.org**.*

The Public Lands Council (PLC) has represented livestock ranchers who use public lands since 1968, preserving the natural resources and unique heritage of the West. Public land ranchers own nearly 120 million acres of the most productive private land and manage vast areas of public land, accounting for critical wildlife habitat and the nation’s natural resources. PLC works to maintain a stable business environment in which livestock producers can conserve the West and feed the nation and world.