

Estate Tax FACTS

Current Situation

- The current exemption level is **\$2 million per individual**. The exemption will **increase to \$3.5 million per individual in 2009**.
- The federal deficit continues to grow each year, while the Administration's policies are on track to increase the gross federal debt by a total of \$4.2 trillion over the eight fiscal years 2001-2008.
- **Repeal of the estate tax will cost the federal government \$1 trillion over 10 years.**
- According to the IRS website, "The estate tax only affects the **wealthiest 2% of all Americans.**"

Farmers & Estate Tax

- Of taxable farm estates in 2000, only 65 would be subject to the estate tax at the \$3.5 million exemption level. Only 13 of those would have liquidity constraints. That is .003% of the farms in the U.S.

Source: Congressional Budget Office, July 2005

American Public Supports Estate Tax

- Without information... 57% of individuals polled said they prefer leaving the estate tax as is, or reforming it...
- With more information, 72% say leave it as is or reform, while only 22% support full repeal...

Source: Coalition for America's Priorities, February 2006

NFU Supports REFORM!

- Raise the federal exemption to **\$4 million immediately**;
- **Index the exemption** annually;
- **Simplify the exemption** qualification rules and requirements;
- Implement **graduated rates**; and
- **Maintain the "step-up"** provision within the capital gains tax policy, so tax liability is not shifted from the estate tax to the capital gains tax.

