



SUPPORT Responsible Estate Tax REFORM! *Talking Points*

Background

- The current federal estate tax exemption level is **\$2 million per individual**. The exemption will **increase to \$3.5 million per individual in 2009**.
- 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**.”
- **The federal budget is already over-burdened**. Farm bill programs have suffered budgets cuts recently, and repealing the estate tax is only going to make it more difficult to fund those programs.
- According to the CBO, **only 65 of the estimated 2 million farms** across America would have been required to pay any estate tax in 2000 with an exemption level of \$3.5 million.
- Americans support of the idea of the estate tax and believe that it should remain in place. 2006 polling data shows **72% support maintaining or reforming** the current estate tax structure---not repeal!
- **Responsible reform, not repeal** can allow America’s food and fiber producers to pass along farming and ranching operations from generation to generation.

NFU’s Policy for 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.

Reforming the Estate Tax Helps Rural America!