



March 10, 2021

The Honorable John Thune
United States Senate
Washington, D.C. 20510

Dear Senator Thune,

On behalf of the National Taxpayers Union, the nation's oldest taxpayer advocacy organization, I write to express our strong support for S. 617, the "Death Tax Repeal Act." Your legislation would rightly repeal the estate and generation-skipping transfer taxes, thereby delivering tax relief to taxpayers, job creators, and family farms across the country. We believe the repeal of S. 617 would provide increased economic growth for the nation and urge all lawmakers to support this important legislation.

An end to the federal estate, or death tax as it's often called, is long overdue. According to the IRS, as of 2018, the federal estate tax flattens out at a 40 percent tax - which is higher than the top rate of the federal individual income tax. However, unlike taxes on income, the estate tax only accounts for a miniscule slice of federal revenue, only constituting 0.5 percent of the total dollars collected by the federal government each year. The repeal of the estate tax would increase the size of the economy by almost 1.0 percent and would create 150,000 jobs nationwide, according to the nonpartisan Tax Foundation. Additionally, the House Joint Economic Committee found that the death tax has destroyed over \$1.1 trillion of capital in the US economy.

On a more personalized level, estate tax planning for older Americans can be complicated, burdensome, and stressful. Estate taxes have significant compliance costs and have been shown to suppress entrepreneurship and property ownership. The reason for such significant economic harm is that the estate tax is a poorly targeted tax that disincentivizes activities that promote economic growth. Rather than dispersing capital into new equipment or workers, actions that are essential for sustainable economic growth, older Americans with sizable estates are encouraged to divest as much of their money as possible to avoid the tax.

Thankfully, your legislation shields wealth owners and all Americans from the harmful effects of the tax. State and federal lawmakers should be doing everything in their power to help more Americans invest in their family businesses and the economy - not making the death of someone's loved one an event that is taxable.

The continued taxation of estates and generation-skipping transfer taxes only hurt consumers, businesses, taxpayers, and the economic recovery. NTU is proud to support legislation that eliminates this particularly harmful tax. We look forward to working with Congress to ensure its repeal.

Sincerely,

Thomas Aiello
Director of Federal Affairs