



AMERICANS FOR TAX REFORM

1920 L Street, NW • Suite 200 • Washington, DC 20036
202.785.0266 • Fax 202.785.0261

NEWS

WWW.ATR.ORG

FOR IMMEDIATE RELEASE
JUNE 11, 2002

CONTACT: Jonathan Collegio
202-785-0266

On Permanent Death Tax Repeal, Sen. John Breaux a Big Question Mark

Louisiana Senator may or may not vote to permanently repeal death tax in U.S. Senate this afternoon.

WASHINGTON — When the time came to vote on President Bush's tax relief bill last June, Sen. John Breaux told Louisiana taxpayers that their tax bills were too high. To their relief, Breaux voted yes on the President's tax relief package.

But the bill has since been broken into its component pieces, and as Senate Majority Leader Tom Daschle (D-S.D.) brings permanent repeal of the death tax to the Senate floor this afternoon, the question looms: Will Senator Breaux support Louisiana taxpayers this time around?

According to his own Senate website, Breaux believes the Death Tax should be repealed, "Under current law, 70 percent of family businesses do not survive the second generation and 87 percent do not get passed onto a third generation. This is why Senator Breaux is a primary Democratic co-sponsor of a bill to repeal the estate tax. Estates would be treated like an involuntary conversion, deferring recognition of any gain until the property is sold and a gain is actually realized." However, tax relief is no longer just an issue about taxes to some in the Senate—it is now an issue about power.

The President's tax plan passed both houses of Congress, and was signed into law by the President on June 7th of last year. But due to obscure budgetary rules invoked in the Senate, the tax cuts will expire in ten years, on 1st January 2011.

This policy is especially absurd where the inheritance tax is concerned. The tax will fully phase out by 2010, but in the first moments of January 2011, the tax will jump to year 2000 levels. Therefore, folks with similar wealth who die ten seconds apart could give their heirs tax bills that differ by millions. It will mean some people get to keep the family farm or business, but others will be left out in the cold.

"Over 70 percent of the American people support an eternal death for the Death Tax," said taxpayer advocate Grover Norquist. "But who knows if Tom Daschle will be able to pressure Breaux against them?...[Breaux's] rhetoric would suggest that he is a friend of Louisiana taxpayers, but his record may show a different story." Daschle scored a 10 out of 100 on ATR's congressional scorecard earlier this year.

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who support tax simplification and oppose all federal and state tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at jcollegio@atr.org