



NATIONAL CATTLEMEN'S BEEF ASSOCIATION

1301 Pennsylvania Ave., NW, Suite #300 • Washington, DC 20004 • 202-347-0228 • Fax 202-638-0607

June 19, 2013

The Honorable John Thune (R-SD)
United States Senate
SD-511
Washington, DC 20510

Dear Senator Thune:

On behalf of cattlemen and women across America, the National Cattlemen's Beef Association (NCBA) offers you our utmost support in your efforts to repeal the estate tax. NCBA has represented America's cattlemen and women since 1898, preserving the heritage and strength of the industry through education and public policy. As the largest and oldest national association of cattle producers, NCBA represents a very diverse beef industry that strives to meet demand in emerging markets and increase demand for beef.

For many years, the number one problem facing America's beef-producing families has been the uncertainty of and compliance with the estate tax, more commonly known as the death tax. In rural America, the death tax is considered one of the leading causes of the breakup of multi-generation family farms and ranches. As you know, many farm and ranch families are asset-rich and cash-poor, with most of the value of their estate attributed to the value of the land they use to grow food and fiber for consumers around the world. For many estates the appraised value of rural land is extremely inflated when compared to its agricultural value. Unfortunately, all too often at the time of death, farming and ranching families are forced to sell off land, farm equipment, parts of the operation or the entire ranch to pay off tax liabilities. In most cases, these assets have already faced taxation two and three times over the course of a lifetime. The uncertainty of the tax code has made it difficult for many farmers and ranchers to establish long-term business plans. This is especially frustrating when your business already faces unpredictable factors like the price of inputs and the weather.

At the end of 2012, Congress passed the American Taxpayer Relief Act (ATRA) narrowly avoiding a return to a \$1 million estate tax exemption with a 55 percent tax rate by setting the estate tax exemption level at \$5 million per individual (\$10 million per couple) and the top tax rate to 40 percent. ATRA also maintained the spousal transfer, the step-up in basis and indexes the estate tax for inflation. While not perfect, ATRA provided some certainty to the tax code but unfortunately the estate tax still impacts family farmers and ranchers across the United States and it must be repealed.

This is not a tax on the wealthy elite in America. The wealthy can afford accountants and estate planners to help them evade the tax. It's a death warrant for small-to-medium sized family businesses.

For decades, NCBA has fought for full and permanent repeal of the estate tax and we will continue to do so until permanent repeal is achieved. NCBA strongly supports the *Death Tax Repeal Act of 2013* and urges all Senators to support the full and final repeal of the death tax.

Sincerely,

A handwritten signature in black ink that reads "Scott George". The signature is written in a cursive, flowing style.

Scott George
President, NCBA