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Cattlemen's Association Watches for "Death" Tax Legislation

Death and taxes are sure things, but if the Independent Cattlemen's Association of Texas (ICA) has its way, the pain of "death taxes" will be lessened. The ICA, Texas' association dedicated to cow-calf producers, is keeping a close watch for a promised legislative amendment that would provide relief on estate, or "death," taxes that are due to be reintroduced in 2011. Senator Blanche Lincoln (D-AR) and Jon Kyl (R-AZ) in mid-July announced their proposal to reform the estate tax structure.

"Currently, in 2010, there are no estate taxes, but unless pre-emptive action is taken, heirs will carry a heavy tax burden starting in 2011," said Bill Hyman, ICA executive director. "Heirs will pay a 55 percent federal tax on estates valued at more than \$1 million."

"Imagine giving the government more than half of what has taken a lifetime to build," said ICA President Rosalee Coleman of George West. "In today's economy, it doesn't take much to have a million dollars in assets, most of which are not in cash. A home owner who has savings, stocks, bonds or investments; a small business owner with equipment and inventory; a farmer with a few outbuildings, machinery, home and truck; or a rancher with some acreage, cows and facilities—all of these could be worth more than \$1 million. In death, heirs not only lose a loved one, but unless they have cash on hand to pay estate taxes, they also could lose the family home, land or business."

"We are watching with hope after Senators Lincoln and Kyl issued a statement in mid-July, saying their plan would raise the estate exemption threshold to \$5 million over 10 years. Furthermore, they propose setting the estate tax rate permanently at 35 percent," said Hyman. "We urge voters to contact their legislators to support an overhaul of the estate tax system."

According to Senator Lincoln's office, the proposed amendment to H.R. 5297, the Business Lending Bill, is being drafted and will be introduced soon. Information and updates will be posted on Senator Lincoln's and Kyl's website, at www.lincoln.senate.gov and www.kyl.senate.gov, respectively.

"An entire repeal of the estate tax would be most beneficial, but a lower estate tax rate and a higher exemption may be the best we can hope for, as Congress only has a month to take action on this legislation," said Coleman.

