

SENATOR  
**KENT CONRAD**  
DEMOCRAT - NORTH DAKOTA

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## **Conrad Urges Estate Tax Reform, Not Repeal** **North Dakota Lawmaker Wants Protections for Farmers & Small Businesses**

**Washington DC** – North Dakota Senator Kent Conrad today called for estate tax reform so that the few estates that do have to pay the tax don't have to sell the family farm or small business in order to meet their tax obligations. Conrad's comments came during a Senate Finance subcommittee hearing which featured testimony from a wide array of taxpayers including William Gates Sr, the father of Microsoft founder Bill Gates, who has become an outspoken critic of President Bush's proposal to repeal the estate tax.

"Hard-working family farmers and small business owners should be able to pass their successful businesses on to their children without an undue tax burden," explained Conrad. "Reforming the estate tax would ensure that virtually all farmers and small businesses would be exempt from paying the tax."

Conrad noted that most North Dakotans will never pay an estate tax. In fact, fewer than two percent of all estates nationwide are subject to any estate tax at all. Of the few estates that do pay, the largest 5 percent – estates with assets exceeding \$5 million – pay nearly half of all estate taxes. Under current law, only estates valued at more than \$675,000, or \$1.35 million for a couple, pay any estate tax. The exemption is scheduled to rise to \$1 million, or \$2 million for a couple, by 2006.

Conrad supports estate tax reform that would increase the estate tax exemption for small businesses and family farms to \$4 million today, rising to \$8 million by 2010. This proposal would provide immediate relief to the smallest estates that still pay a tax, and eventually exempt two-thirds of all estates that pay the tax today.

The President's proposal to eliminate the estate tax provides a windfall first to those estates valued at more than \$10 million. Smaller estates would have to wait years for any relief at all.

"I am troubled that the President's estate tax plan would be implemented from the top down," said Conrad. "If the Administration were really concerned about the family farmers and small business owners it loves to cite as beneficiaries of repeal, why is it proposing to keep the estate tax in place on the smaller estates for years to come?"

Conrad also expressed concern about the true cost of estate tax repeal beyond the next 10 years. He cites Treasury Department data from last year which estimated that estate tax repeal would cost as much as \$750 billion in lost revenue between 2010 and 2020, precisely when the baby boom generation will be retiring and draining Social Security and Medicare.

"There is nothing compassionate or conservative about a massive tax cut for the ultra-wealthy at a time when our resources will be stretched thin," said Conrad.

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