

December 3, 2009

Washington, D.C. – Congressman Jerry McNerney (CA-11) today voted to protect family farmers and small business owners from the devastating burden of the estate tax by opposing H.R. 4154, legislation supported by House Democratic leadership. This flawed legislation would extend the estate tax without exemptions for family farmers and small businesses owners. The proposal is also not indexed to inflation, which is necessary to prevent an increase each year in the number of farms and small businesses affected by the estate tax.

“California’s family farmers and small business owners need real reform that lifts the devastating burden of the estate tax, not a tax increase at a time when our economy is struggling,” said Rep. McNerney. “Unfortunately, today’s legislation represents a flawed attempt at reform. The bill offered would harm many family farms and small businesses in our area, costing jobs and damaging the local economy.”

A strong advocate for commonsense estate tax reform, Congressman McNerney introduced the Family Farm and Small Business Tax Relief Act of 2009 last month. Unlike the bill supported today by House Democratic leadership, Congressman McNerney’s legislation would permanently exempt from the estate tax farmland that remains in operation and is passed down from one generation to another. His bill would also exempt small businesses worth up to \$8 million from the estate tax. Importantly, McNerney’s bill is also indexed to inflation.

“Instead of considering a flawed approach to estate tax reform, we should be seizing the opportunity to permanently protect family farms and small businesses,” continued Rep. McNerney. “They are the backbone of our economy and the engine of job creation and are harmed most by this tax. I introduced the Family Farm and Small Business Tax Relief Act because it shouldn’t be difficult for a farmer or small business owner to pass on their life’s work to their children.”

“This was an opportunity for real reform, but instead the proposal passed today was a watered down approach. I’m going to keep fighting for the legislation I introduced and estate tax reform that benefits family farmers and small businesses owners,” said Rep. McNerney.

According to the National Federation of Independent Business (NFIB), H.R. 4154, the estate tax bill supported today by House Democratic Leadership is “an incomplete solution” that does not “provide adequate protection for many small businesses.”

According to the California Farm Bureau, “H.R. 4154 will leave many California farmers subject to the steep penalties of the estate tax.” The Bureau also adds, “The legislation fails to address concerns specific to farm and ranch families. Most farm family assets are tied-up in farmland, high-valued trees and vines, irrigation systems, buildings and on-farm processing facilities. As a result, there is very little liquidity and it’s virtually impossible to settle the estate tax without

destroying the economic viability of the operation.”