

**Statement by Bob Stallman, President,
American Farm Bureau Federation
Regarding Introduction of House Estate Tax Legislation**

WASHINGTON, D.C., October 23, 2009—“The American Farm Bureau Federation supports H.R. 3905, the Estate Tax Relief Act of 2009, introduced yesterday by House Ways and Means Committee members Rep. Shelley Berkley (D-Nev.), Rep. Kevin Brady (R-Texas), Rep. Artur Davis (D-Ala.) and Rep. Devin Nunes (R-Calif.). The bill would phase in a \$5 million exemption, with a 35-percent rate, over 10 years.

“We are pleased there is bipartisan support to do better than current law in the House and commend the sponsors of the bill for working to increase the exemption. Extending the current estate tax exemption of \$3.5 million per person and the tax rate at 45 percent, is a non-starter for Farm Bureau, which supports an increase in the exemption to \$10 million a person.

“Estate taxes threaten family-owned farm and ranches and the livelihoods of families who make their living in production agriculture. Eighty percent of farm and ranch assets are land based. When estate taxes exceed cash and other liquid assets on hand, surviving family members can be forced to sell land, buildings or equipment needed to keep their businesses operating. Sadly, it takes two and half years of farm returns for a moderate-sized farm operation to pay off the estate tax owed.

“H.R. 3905 brings us one step closer to Farm Bureau’s goal of permanent repeal and a continuation of a “stepped-up basis,” which adjusts the value of property for inflation at death. We look forward to working with the bill’s sponsors as this legislation progresses.”