

AFRO AMERICAN NEWSPAPERS
Families need a permanent, certain fix of Estate Tax
Wednesday, April 26, 2006 Harry Alford

Why does the National Black Chamber of Commerce support the permanent elimination or the reduction of the estate tax? Because many of our family businesses are first generation businesses, where children work along side their parents, in these businesses. They would like to see their children continue the business for the benefit of their community and the family. They do not want to sell the business to pay the estate tax and eliminate the livelihoods for the next generation in addition to the jobs for those who they employ.

It is a deceptive rationale to represent that "only 1 percent of Americans are affected by the estate tax." That is the percent of decedents whose estates will actually write a check each year to the IRS. The Polling Company has found that "twice as many family businesses sell out early, rather than pay the tax." This often means a loss of jobs and a business in the community. All too often the family business is sold to a larger company who then moves the business and takes the jobs out of the community. Why is it fair to penalize those who worked hard, created jobs, took risks, achieved success and paid substantial taxes during their lifetime with a 47 percent tax at death? Isn't this discrimination? Targeting those who have more, just because they have more is not fair.

Families need certainty in planning for the future of their businesses. Congress has spent the last decade discussing and attempting to alter the estate tax. With the tax bill passed in 2001, it has only made it more difficult and uncertain to plan. One year of repeal in 2010 makes no sense and is not helpful to families. Both parties should sit down in good faith and work out a solution that will help all families, their businesses, and the workers they employ. Congress should stop using the future of family businesses as an election issue or political tool and pass permanent repeal or permanent reduction of the estate tax! Members of the National Black Chamber of Commerce are anxious to continue to build successful businesses that future generations can enjoy. They have taken risks and employed many people and they deserve to know with certainty that all of their years of hard work will not be lost. It is time for the Senate to act and vote on HR8 and give families certainty.

Harry Alford is president of the National Black Chamber of Commerce.