

"Only about 1% of Americans are subject to the death tax, but according to CTJ's numbers, you are twice as likely (as that) to be forced to pay the tax if you are a farmer and three times as likely if you own a small business," Robbins said.

Robbins also notes that farmers and small-business owners are usually asset rich and cash poor. That makes the death tax a toucher burden on those who must pay it.

For many, he argues, the only way to settle the estate tax obligation to the IRS is to sell off assets or land—parts of the businesses that are critical to keep those family operations viable.

A law that forces people to sell their farms and businesses when a family member dies: How did we get to this point?

In the early 1900s, politicians became concerned about the growing concentration of money in a few families. Lawmakers called for a "progressive tax" on rich families to prevent them from passing down their wealth from one generation to the next.

In 1916, the estate tax was enacted; it was meant to fund national emergencies. Then in 1924, Congress passed the first gift tax, after people started giving away their estates so their heirs could avoid paying the estate tax.

From 1932 to 1941, as part of the New Deal, estate tax rates were raised to help pay for the new spending programs. At that time, estate taxes reached records, accounting for as much as 9.7% of federal tax revenue.

Here's how the estate tax is now assessed: Estates valued up to \$10 million pay taxes on a graduated scale: rates range from 37% to 55%. The first \$650,000 is exempt—and not indexed for inflation.

Estates valued between \$10 million and \$21 million are taxed at a 55% rate, plus a 5% surcharge. As the value of an estate approaches \$21 million, the surcharge effectively phases out the \$650,000 exemption.

Estates valued at more than \$21 million face a tax rate of 55% with no exemption.

The 60 Plus Association, a lobbying group whose rallying cry is "dying should not be a taxable event," says the estate tax is an ineffective way to raise money.

"Federal revenue raised from death taxes as a percentage of total revenue has been on a steady decline since 1940," said Jim Martin, president of 60 Plus.

"The death tax now brings in about 1% of total federal revenue, and it costs the government 65 cents for every dollar raised for enforcement and compliance costs," he said.

"Taxes are a necessary evil, but a tax should have some sort of socially redeeming value," Martin added. "The death tax just sets up an industry of lawyers, accountants and insurance brokers to help people protect their after-tax assets."

Some lawyers counter that the estate tax is really voluntary. It's paid by people who can't afford legal or accounting services or who don't realize the IRS will consider them rich at the time they inherit estates.

"That's just what the American people want to hear—hire more lawyers so you can keep out of trouble," said Rep. Jennifer Dunn, R-Wash., one of the estate tax's most forceful opponents.

"The cost of compliance is extraordinarily high for the death tax," Dunn said. "For the amount of money that is raised by the Federal Government, an equal amount is spent on hiring CPAs, lawyers and so forth. . . . This is money that should be spent much more wisely, and would be, if families did not have to spend so much money on compliance."

House Majority Leader Dick Armey, R-Texas, agrees.

"I've seen time and time again sons and daughters whose grief has been ameliorated by the thought of keeping their parents' leg-

acy alive," he said. "And when that family is forced to sell off Mom and Dad's business that they spent their entire life building to meet the needs of the tax man, you can hardly call that voluntary or just."

GOP pollster Kellyanne Fitzpatrick says most people think the estate tax is unfair—even though it hits mainly people the IRS considers wealthy.

In a poll she did for 60 Plus, 77% considered the tax unfair. The tax was unpopular among many groups. For example, 86% of women age 18 to 34 who don't have kids said the tax is unfair; so did 84% of 55- to 64-year olds, 82% of Protestants and 82% of Republican women.

"You don't have to be directly affected by (the tax's) unfairness or unjustness to oppose it," Fitzpatrick added.

Getting rid of the estate tax could have an unintended consequence: protecting the environment.

Dunn says some environmental groups are warming to the notion of repealing the estate tax.

Those who oppose suburban sprawl complain that many family farmers who have to pay estate taxes must sell at least part of their land, often to developers who may not be as friendly to the environment.

That brings us back to tree farmer Chester Thigpen. He has spent more than 55 years building his family business. He has won a number of awards for his sound environmental stewardship.

In 1995, Thigpen was named Mississippi Tree Farmer of the Year. The next year, he was National Tree Farmer of the Year. He received that award for his exceptional management practices, including reforestation, taking care of his timberland and maintaining wildlife habitat.

In addition, in 1998 the National Arbor Day Foundation gave Thigpen its Good Steward award.

"He (Thigpen) is commended for a lifetime of agricultural and forestry work, as exemplified in his conversion of 850 depleted acres of soil into a lush area of tree farms," said an Arbor Day Foundation press release.

If Clinton vetoes the GOP's tax plan and leaves the estate tax in place, the Thigpen family may not be able to maintain that sound stewardship after Chester dies. Family members say they may be forced to clear-cut several stands of timber and sell the lumber just to pay the estate tax.

As they say, money, especially when it's meant to pay the tax collector, doesn't grow on trees.

#### TAXING DEATH—TOP MARGINAL ESTATE TAX RATES

Country	Rate (Percent)
Japan	70
U.S.	55
Taiwan	50
South Korea	45
France, Great Britain	40
Germany, Sweden	30
Belgium	28.5
Netherlands	27
Chile, Italy	25
Denmark, Hong Kong	15
Singapore	10
Poland	7
Brazil	6
Argentina, Australia, Canada, China, India, Indonesia, Mexico	0

Source: American Council for Capital Formation.

TO HONOR THE THIRTEEN FIREFIGHTERS WHO LOST THEIR LIVES IN THE BOWEN-MERRILL FIRE

### HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 8, 1999

Ms. CARSON. Mr. Speaker, I rise today to pay tribute to the 13 dedicated Indianapolis Fire Department firefighters who lost their lives while bravely and courageously battling a horrific fire at the Bowen-Merrill book house.

The fire started at 3:08 PM on St. Patrick's Day, March 17, 1890. Shortly after the fire began, great streams of fire could be seen shooting from the bookstore located at 16-18 West Washington Street in downtown Indianapolis. To keep the fire from spreading to valuable properties located on Meridian and Illinois Streets, a monumental effort was made to contain the fire.

Eighty-six firefighters battled the giant blaze. Thirteen firefighters lost their lives when the roof to the building collapsed. Posthumously, tributes were extended to: Thomas Black, John Burkhart, Andrew Cherry, George Faulkner, Ulysses Glazier, George Glenn, Albert Hoffman, William Jones, David Lowry, B.F. Plummer, Epsy Stormer, Anthony Voltz, and Henry Woodruff.

On August 13, 1999, the Indianapolis Fire Department paid tribute to their fallen comrades. The clouds rolling through the skies of downtown Indianapolis purposely seemed to keep clear of the area directly above the tribute ceremony. There is no doubt that the 13 fallen heroes had a clear view of the tremendous respect and appreciation that our community has for their sacrifice.

As we approach the twilight of the 20th Century it is abundantly clear that their faithful commitment to duty exemplifies the spirit of the men and women of the Indianapolis Fire Department who heroically serve our community.

Mr. Speaker, it is fitting as we prepare to cross the threshold of the 21st Century that we remember and honor those who selflessly lost their lives at the end of the 19th Century.

#### TWO FIREFIGHTERS PROVIDE EXEMPLARY SERVICE

### HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 8, 1999

Mr. GILMAN. Mr. Speaker, I rise to commend two of my constituents, William Herman and Evan DeVries. Mr. Herman and Mr. DeVries are both volunteer firefighters with over fifty years of service in Rockland County.

William Herman began his firematic career by serving in the Federal Fire Service at Camp Shanks in Orangeburg during the Second World War and as a member of the Hook and Ladder Company in Pearl River.

After the War, he joined the Excelsior Fire Engine Company, where he has now served for more than fifty years. He has served as Lieutenant and Captain in Excelsior, and answered more than 8,000 fire calls for assistance from his fellow citizens in his half century career.