

A TRIBUTE TO MAURICE A. REID

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 2002

Mr. TOWNS. Mr. Speaker, I rise in honor of Maurice A. Reid, the President and CEO of the Brownsville Community Development Corporation (BCDC), and his many years of dedicated service to the community.

Maurice Reid has a Masters Degree in Public Administration from the Executive M.P.A. program of Baruch College, CUNY, and a Bachelor's Degree from the School of Business, Manhattan College. In 1995, he completed a two-year fellowship from the Southern Regional Council as a Voting Rights Expert-in-Training.

He joined the BCDC after nine years as the Deputy Director for the Center for Law and Social Justice at Medgar Evers College, CUNY. Prior to assuming his post at the CLSJ, Maurice served as Administrative Assistant and District Director to newly elected Congressman Major or Owens.

Maurice's management career began when he became the first director of the Brownsville Community Council's Head Start Program. He also helped found the Brownsville Child Development Center, and served as the first Executive Director/CEO for twelve years. Maurice has also held positions as the President of the Central Brooklyn Mobilization Democratic Club, the Chairperson of the Committee for An Effective School Board # 23, and as the Chairperson and Secretary/Treasurer for United Housekeeping Service, Inc. and United Homecare, Inc. Additionally, he has been a member of the Coalition for Community Empowerment and the Board of Directors of the American Reading Council. Maurice is currently a member of the Board of Directors of the Community Health Care Association of New York State.

After nearly 17 years of involvement with the BCDC, as a board member and Chairperson, he became President and CEO. His hard work and dedication have clearly paid off.

Mr. Speaker, Maurice A. Reid is committed to serving and improving his community. As such, he is more than worthy of receiving this recognition and I urge my colleagues to join me in honoring this remarkable man.

**PERMANENT DEATH TAX REPEAL
ACT OF 2002**

SPEECH OF

HON. MARK E. SOUDER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 2002

Mr. SOUDER. Mr. Speaker, I rise today in support of the permanent repeal of the death tax. The repeal of this particular tax is especially important in ensuring that small and minority-owned businesses as well as family farms are not destroyed due to the inability to pay this archaic tax.

A family death is already a difficult burden to bear. The death tax furthers the family's pain by presenting the survivors with the choice of either paying a large death tax or, if unable to secure the funds to pay the tax, sell-

ing their family's farm or business. Not only do survivors lose their jobs when forced to sell a family business, but countless employees of the business often find themselves on the streets as well, losing their job, health insurance, and benefits. We cannot continue to watch as children who have worked their entire lives in a family business lose what is rightfully theirs simply because selling their business is the only way they can raise the necessary funds to pay the estate tax.

Additionally, numerous surveys of small business owners have indicated that the estate tax is a primary threat to the expansion of their businesses because they spend more money on estate planning than expansions. Lack of business expansions translates to a lack of new jobs being created at that business.

Finally, I want to clarify that under the law enacted in 2001, the death tax is to be repealed in 2010 ensuring that all assets transferred from one generation to the next would not be subject to the estate tax, but would instead be subject to the capital gains tax. Appropriately, the families of the decedent would have a choice to either continue the family business or sell it and then pay a capital gains tax. Families should make the decisions regarding the sale of their farms and businesses rather than be forced to sell in order to pay an exorbitant death tax.

**PERMANENT DEATH TAX REPEAL
ACT OF 2002**

SPEECH OF

HON. ROBERT E. (BUD) CRAMER, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 2002

Mr. CRAMER. Mr. Speaker, I rise today as Co-chairman of the End the Death Tax Caucus in support of this bill and in opposition to the death tax. Eliminating this unfair provision in our tax code has been a priority of mine since becoming a Member of this body.

Today's death tax places a tremendous burden on America's small businesses and family-owned farms, which are at the heart of the economic vitality of our communities. Small businesses and farms can quickly reach the current low exemption levels for the death tax.

For example, urban convenience stores invest an average of \$1.24 million per store for land, building and equipment, and rural stores invest almost \$900,000 per store. Construction companies often need to purchase expensive heavy equipment to build our buildings, roads, and bridges. Our farmers, machine shops, and many other businesses often invest in equipment that involve high capital outlays. The Alabama Farmers Federation tells me that much of family farm estates is usually locked up in their farmland, which often must be sold to pay the estate tax. Too often, this tax has forced American families to liquidate a business or farm that was built on years of hard work and sacrifice.

The tax relief package enacted last year provided temporary relief from the death tax. This law provides for a slow drop in death-tax rates from 50 percent to 45 percent and then an abrupt drop to zero in 2010. For some of us—like myself—this reduction does not occur fast enough. Over the same time period, the

exemption increases from \$1 million to \$3.5 million. Regrettably, current law resurrects the death tax in 2011, with tax rates as high as 55 percent and an exemption at the low level of \$675,000.

This temporary repeal does little to alleviate the estate-planning burden on our families. It forces them to play expensive, cumbersome games of tax strategy instead of allowing these entrepreneurs to reinvest their money and time into building their business. In fact, the temporary nature of the current law has made an already-complex tax code more complicated, and estate planning more difficult. Estate planning for farms is further complicated by the uncertain nature of the future net worth of farm operations. This money spent on estate planning—both attorney's fees and insurance premiums—would be better spent invested back into the business and providing job growth for our nation.

Family businesses spend nearly \$14.2 billion a year on estate planning and insurance costs. This capital that is used for estate planning is an economic drag on family businesses at a time when they must deal with other economic burdens beyond their control.

The sunset provision simply prevents small business owners and farmers from taking advantage of the repeal. Unless they know for a fact that they will pass on by the year 2010, they must continue to pay tax advisors to help them secure their family's welfare in the future.

According to the IRS, just in the tax year 1999 alone, \$227 million was collected from the estate tax in my state of Alabama. One study shows that permanent repeal would increase our GDP a total of \$150 billion over 10 years, and it could provide an additional 165,000 jobs per year. The anti-growth death tax causes small businesses—who are under-capitalized in the first place—to cut back on labor, re-investment, and risk-taking. Studies have also shown that the death tax encourages small business owners to sell out or merge with larger companies.

Furthermore, the death tax can encourage the rich to spend down their savings on lavish consumption. A Joint Economic Committee study estimated that the death tax existence has reduced the nation's pool of savings by \$497 billion.

Mr. Speaker, this tax is an unfair tax. It double-taxes income that was already taxed when it was earned. It is collected at a time of deep grief for our families. And it penalizes those who have worked hard over a lifetime to provide for the future security of their family.

In closing, Mr. Speaker, the time has come to finish the job and get rid of this unfair, burdensome tax once and for all. The death tax reduces wages, it reduces job creation, it discourages savings, and it is a leading cause of the liquidation of small businesses. Permanent relief from this death tax is critically important for America's family-owned small businesses and farms.

Finally, let me thank my colleague from Washington and Co-Chairwoman of the End the Death Tax Caucus—Congresswoman DUNN—for working with me in a bipartisan manner to remove this unfair provision from our tax code.

I urge Members to support this legislation.