

Estate Tax Proposal Targets the Wealthy

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Sen. Bernard Sanders, I-Vt., on June 24 introduced estate tax legislation that would create a progressive rate in order to ensure that the wealthiest estates pay a higher proportion of tax. The measure would set the tax rate for estates valued between \$3.5 million and \$10 million at 45 percent while the rate on estates worth more than \$10 million and below \$50 million would be 50 percent. The rate on estates worth more than \$50 million would be 55 percent.

The proposal also includes what Sanders termed a "billionaire's surtax" of 10 percent. The bill, however, would exempt the first \$3.5 million of an estate from federal taxation (\$7 million for couples), the same exemption that existed in 2009. The Responsible Estate Tax Bill would bring in at least \$264 billion over the next 10 years if approved.

"This legislation would ensure that the wealthiest Americans in our country, millionaires and billionaires, pay their fair share while exempting 99.7 percent of Americans from paying any estate tax whatsoever," Sanders said in a prepared statement. Sanders also proposes closing estate and gift tax loopholes as did President Obama in his fiscal year 2011 budget blueprint. The White House estimated that closing the loopholes would generate at least \$23.7 billion in revenue over 10 years.

Sanders said his bill would also protect family farmers by allowing them to lower the value of their farmland by up to \$3 million for estate tax purposes. The bill also would increase the maximum exclusion for conservation easements to \$2 million. The bill is cosponsored by Sens. Tom Harkin, D-Iowa, Sheldon Whitehouse, D-R.I., and Sherrod Brown, D-Ohio.

By Jeff Carlson, CCH News Staff