

House Passes Estate Tax Relief

Written by Mike Honda

Monday, 07 December 2009 06:51

On Thursday, the House of Representatives passed H.R. 4154, the Permanent Estate Tax Relief Act. This bill will provide certainty for American families, small businesses and farmers by permanently extending the current estate tax exemption levels and tax rate. The Permanent Estate Tax Relief Act will keep the current estate tax exemption for inheritances of less than \$3.5 million per individual (\$7 million for married couples). Without this legislation, the estate tax would have been fully repealed for one year before increasing the following year, when the maximum tax rate would then jump ten points and the exemption rate would drop drastically, making it impossible for small business owners and farmers to plan for the future.

By making the current exemption levels and tax rate permanent, Americans can plan their futures with stability. These levels will provide relief to 99.8 percent of estates nationwide, prevent additional taxes from hitting more Americans, and protect our next generation from paying higher tax rates on what they inherit from their parents. This measure also restores the 'pay as you go' principle of budget discipline, requiring Congress to find a way to pay for any new spending – outside an economic crisis – and returning us to a process that turned record deficits into surpluses in the 1990s.