



**FEDERAL ISSUE: REPEAL OF THE ESTATE OR DEATH TAX**

**POSITION:** FNGLA supports the full and permanent repeal of the federal estate or death tax.

**BACKGROUND:** In 2001, Congress passed legislation incrementally reducing the federal estate or death tax on family farms and small businesses. In 2010, the tax is completely eliminated for that single year only. Beginning in 2011, the federal estate or death tax is fully re-imposed on taxpayers at rates as high as 55 percent unless Congress acts to repeal it.

The estate or death tax can force surviving family members to sell land, buildings, or businesses to generate the necessary funds to pay the tax. Proper estate planning can be an effective tool in lessening the estate tax burden. However, the professional services of attorneys and accountants, as well as the purchase of complex insurance policies, are very costly. They often divert financial assets that otherwise can be invested to operate or expand one's nursery, landscape firm, retail garden center or horticultural supply business. Small family businesses, such as those that are typically found in Florida's nursery & landscape industry, are often the economic engine creating jobs in this state and throughout the nation.

As nurseries and other industry businesses evolve and change, a family's estate tax plans must also change to protect their hard-earned business assets. This constantly drains or diverts financial resources away from reinvesting in one's business. In turn, this hinders potential for growth, stability, or expansion which then directly impacts employment.

The estate or death tax represents less than 2% of total federal tax receipts. Yet, it can be a fatal blow to family-owned nurseries, landscape firms, garden center retailers and other horticultural businesses. The federal death tax unfairly poses as double taxation on income or assets which already had been subject to tax. While FNGLA seeks a total and permanent repeal of this tax, FNGLA urges Congress to take a meaningful first step by providing a permanent exemption for all estates valued up to a threshold of \$9 million.