

103D CONGRESS
1ST SESSION

S. RES. 64

Expressing the sense of the Senate that increasing the effective rate of taxation by lowering the estate tax exemption would devastate homeowners, farmers, and small business owners, further hindering the creation of jobs and economic growth.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4 (legislative day, JANUARY 5), 1993

Mr. LUGAR (for himself, Mr. DOLE, Mr. PACKWOOD, Mr. LOTT, Mr. BOND, Mr. GRASSLEY, Mr. SMITH, Mr. PRESSLER, Mr. KEMPTHORNE, Mr. GORTON, Mr. McCAIN, Mr. HATFIELD, Mr. DANFORTH, Mr. WALLOP, Mr. BURNS, Mr. ROTH, Mr. THURMOND, Mr. COCHRAN, Mr. COATS, Mr. GRAMM, Mr. NICKLES, Mr. COVERDELL, Mr. D'AMATO, Mr. SHELBY, and Mr. BROWN) submitted the following resolution; which was referred to the Committee on Finance

RESOLUTION

Expressing the sense of the Senate that increasing the effective rate of taxation by lowering the estate tax exemption would devastate homeowners, farmers, and small business owners, further hindering the creation of jobs and economic growth.

Whereas the average savings rate in the United States (2.9 per centum of income) is lower than that of any other industrialized country;

Whereas Government taxation of estates, which is the accumulation of assets throughout one's lifetime, discourages individuals and families from saving and investing;

Whereas estates often include the small businesses and farms of middle- and low-income Americans;

Whereas small businesses and farms have historically created most of the net new jobs in this country and fueled the growth of the economy generally;

Whereas there are nearly two million family-owned farms in the United States with an average value of \$252,000;

Whereas assets that comprise the farm values are items such as: land, farm buildings, operator's residence, machinery, automobiles, breeding stock, grain stored on farm, and other stored farm inputs such as seed and fertilizer;

Whereas recently proposed legislation would decrease the threshold for estate tax exemption to \$200,000;

Whereas decreasing such threshold would raise effective estate tax rates to a level so high that the heirs of homeowners, farmers, and small business owners with assets over \$200,000 could be forced to liquidate their assets to pay the taxes incurred by the proposed change in the tax law; and

Whereas liquidation of productive assets to finance tax liabilities would destroy jobs and further harm the fragile economy: Now, therefore, be it

- 1 *Resolved*, That the Senate opposes any attempt to
- 2 lower the estate tax exemption or raise the effective rate
- 3 of taxes on estates, or impose additional taxes on estates
- 4 such as a capital gains tax at death, because such meas-
- 5 ures contradict the fundamental goal of the United States
- 6 Government of encouraging long-term private savings

- 1 through which productive investment promoting economic
- 2 growth can be realized.

