

41 National Organizations Support Sen. Sanders' "Responsible Estate Tax Act"

June 25, 2015

The Honorable Bernie Sanders
332 Dirksen Building
Washington, D.C. 20510

Dear Senator Sanders:

We are writing to express our strong support for the Responsible Estate Tax Act, legislation that will restore the effectiveness of the estate tax to better ensure that the wealthiest Americans pay their fair share of taxes and that the economy works for all of us, not just the wealthy few.

America is rapidly becoming divided between the extremely rich and everyone else. The [top one tenth of one percent](#) now owns approximately the same amount of the nation's total wealth as the bottom 90 percent. Huge family fortunes are being passed down from generation to generation, creating a new American aristocracy.

The estate tax was created nearly a hundred years ago to put a brake on such a concentration of wealth, raise revenue from those with the greatest ability to pay and encourage charitable giving. But it has been severely undermined by the recent reduction of estate tax rates, increase in estates that are exempt from the tax, and egregious loopholes used by billionaires to avoid taxation.

Your legislation is similar to some improvements that President Obama proposed, which would return the estate tax to its 2009 parameters. Today, [the vast majority of deaths – 99.9 percent](#) – do not trigger federal estate taxes, according to the Tax Policy Center (TPC). Under your bill, as under the Obama proposal, [99.7 percent of Americans](#) would be shielded from federal estate taxes. Like the Obama proposal, your bill would exempt estates below \$3.5 million (\$7 million for married couples) ensuring that the same number of estates would be affected under each proposal. As a result, the estate tax will still only be paid by billionaires and millionaires.

While the top estate tax rate is 40 percent today, after exemptions and loopholes the [average tax rate paid is just 17 percent](#), according to the TPC. President Obama has proposed a top estate tax rate of 45 percent. Under your bill the tax rate would be 45 percent on estates between \$3.5 million and \$10 million, 50 percent on estates between \$10 million and \$50 million, and 55 percent on estates over \$50 million. Your bill also includes a 10 percent billionaire's surtax on our nation's nearly [530 billionaires](#).

Despite wild assertions to the contrary, only about [20 small business and small family farm estates](#) nationwide owed any estate tax in 2013, according to the TPC. Your legislation includes additional protections to ensure the impact on family farms from your legislation is negligible. It is important to note that [no farm has ever been lost](#) as a result of the estate tax.

To safeguard against evasion, your bill proposes to close a number of loopholes that allow the very wealthy to dodge estate taxes. For example, the Grantor Retained Annuity Trust (GRAT) is a specialized trust that allows families, such as the Waltons and Sheldon Adelson, to pay little if any estate and gift taxes on estates worth billions of dollars. This loophole may have cost the U.S. Treasury [\\$100 billion since 2000](#), according to Bloomberg.

The current estate tax is projected to raise [\\$246 billion over 10 years](#). President Obama's reforms would raise an additional [\\$156 billion over 10 years](#). While there is not yet a revenue estimate for your bill, it is expected to raise even more revenue than the President's reforms.

The richest Americans can afford to contribute this additional revenue, which would have a big effect on the country. For example, the 10-year shortfall in the [highway and mass transit trust funds is \\$168 billion](#). The cost of President Obama's proposal to provide all low- and moderate-income 4-year-olds with high-quality, publicly-funded preschool is [\\$75 billion over 10 years](#).

People achieve significant wealth by various means – through birth, inheritance, hard work, brilliant ideas and good luck. But their success often depends on the benefits derived from public investments in infrastructure, education, research, and a legal system to protect property rights. No one is guaranteed success in America, but everyone deserves a fair shot to succeed. The promise of America should be for everyone, not just for the wealthy. For all of these reasons, we strongly support the Responsible Estate Tax Act.

Sincerely,

AFL-CIO
Agenda Project Action Fund
Alliance for a Just Society
Americans for Democratic Action (ADA)
American Association of University Women (AAUW)
American Federation of Government Employees
American Federation of Teachers
Americans for Tax Fairness, a coalition of [425 endorsing organizations](#)
Campaign for America's Future
Center for Community Change Action
Center for Effective Government
Citizens for Tax Justice
Coalition on Human Needs
Communications Workers of America
Democracy for America
Demos

Every Child Matters Education Fund
Institute for Policy Studies Program on Inequality and the Common Good
International Union, United Automobile, Aerospace & Agricultural Implement Workers of
America (UAW)
Main Street Alliance
MoveOn.org
National Association for Hispanic Elderly
National Education Association
National Healthcare for the Homeless Council
National Low Income Housing Coalition
National Nurses United
National People's Action
National Women's Law Center
NETWORK: A National Catholic Social Justice Lobby
New Rules for Global Finance
People Demanding Action
Public Citizen
RESULTS
RootsAction.org
The Daily Kos
United Church of Christ Justice and Witness Ministries
United for a Fair Economy
United Steelworkers
USAction
Voices for Progress
Working America