

To: The Honorable Harry Reid
The Honorable Richard Durbin
The Honorable Kent Conrad

Cc: The Honorable Nancy Pelosi
The Honorable John Spratt

May 5, 2009

Dear Senators,

We are writing to thank you for the important work you did during the FY 2010 budget resolution debate and particularly for your efforts to defeat an amendment that would give away billions of dollars to the heirs of multi-millionaires through more cuts to the estate tax. Your leadership was essential in keeping the vote on the Lincoln/Kyl estate tax amendment to a razor-thin margin and in showing the way for new Senators on this hot-button issue. We also strongly support your decision to remove the language of that amendment from the final budget agreement and thank you for realizing that giving away even more revenue to the country's wealthiest families is not the right priority for this budget.

As you know, the FY 2010 budget assumes the extension of the already greatly reduced estate tax levels. This change in policy would limit the estate tax to all but the most wealthy and fortunate Americans, exempting over 99.7 percent of all estates from paying the tax. The Tax Policy Center recently estimated that only 0.25 percent of the estates of people who die in 2011 will be subject to the estate tax if the 2009 estate tax rules are continued.

Even this policy would be very expensive for the federal government to shoulder at a time of shrinking federal revenues and drastically increasing need in our communities. The Joint Committee on Taxation has estimated this policy will cost \$256.2 billion over the next ten years. This cost increases dramatically to \$485 billion over the first ten years the changes would be fully felt (2012 – 2021), according to the Center on Budget and Policy Priorities. Neither of these cost estimates includes the tens of billions of additional revenue required for interest payments that are necessary to support these deficit-financed changes.

While the changes to current law that would extend the 2009 levels of the estate tax would benefit only a very small number of wealthy individuals, millions of middle- and low-income Americans likely would eventually bear a significant share of the costs, in the form of higher taxes and lower government benefits. Millions of ordinary Americans could end up with a lower standard of living so that some of the nation's wealthiest individuals could escape much or all of the estate tax.

We are pleased that you realized these important facts about the estate tax during the budget resolution debate and hope you will continue to play a strong leadership role as Congress begins to develop legislation to make a permanent change to the tax. It is clear that a further reduction in the estate tax would deprive the nation of hundreds of billions of dollars in the coming years, funds needed for long-overdue investments in health care, education, clean energy, and other public services. These resources are a vital part of the government's efforts to support millions of Americans around the country who are living paycheck to paycheck and struggling to make ends meet during the economic downturn. Now is certainly not the time to cut taxes again for the wealthiest individuals in the country.

Your leadership will be crucial this year and we urge you to continue to play a prominent and vocal role to ensure any changes to the estate tax preserve the largest amount of revenue possible. We look forward to working with you to make certain the revenues that support important government investments are preserved. During the current economic downturn, these services are more important than ever.

Thank you again for your leadership on the estate tax.

Sincerely,

ACORN
AFL-CIO
Alliance for Justice
Alliance for Retired American
American Federation of Teachers
American Federation of State, County and Municipal Employees
Americans for Democratic Action
Association of Farmworker Opportunity Programs
Backbone Campaign
Catholics in Alliance for the Common Good
Center for Community Change
Center for Law and Social Policy (CLASP)
Children's Defense Fund
Citizens for Tax Justice
Coalition on Human Needs
Communications Workers of America
Community Action Partnership
Every Child Matters Education Fund
Families USA
Food Research & Action Center (FRAC)
Friends Committee on National Legislation
Leadership Conference of Women Religious
National Advocacy Center of the Sisters of the Good Shepherd
National Coalition for the Homeless
National Council on Aging
National Disability Rights Network
National Education Association
National Gay and Lesbian Task Force Action Fund
National Low Income Housing Coalition
National Policy and Advocacy Council on Homelessness (NPACH)
National Priorities Project
National Women's Health Network
National Women's Law Center
NETWORK, A National Catholic Social Justice Lobby
OMB Watch
Peace Action
People For the American Way
PolicyLink
Presbyterian Church (U.S.A.) Washington Office
Public Citizen
RESULTS
SEIU
Sojourners
Tax Justice Network (U.S. Chapter)
The Arc of the U.S. and United Cerebral Palsy
The Wilderness Society
United Church of Christ, Justice and Witness Ministries
United for a Fair Economy
USAction
Voices for America's Children
WAND
Wealth for the Common Good
Wider Opportunities for Women
YWCA USA