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Statement of Sen. Chuck Grassley
Hearing, “*Outside the Box on Estate Tax Reform: Reviewing Ideas to Simplify Planning.*”
Thursday, April 3, 2008

Thank you, Mr. Chairman, and thank you for holding this series of hearings on the estate tax. At the conclusion of today’s session we will have effectively discussed the effects, alternatives and potential amendments to the estate tax in great depth. At this point, we should be driven to action regarding what is the ultimate fate of the estate tax system. While I continue to favor complete repeal, I understand that we must come to a bipartisan solution which will provide certainty and fairness to many individuals who are uneasy with the current situation. It is troubling to me that the Congress has done nothing more than talk about potential reforms and have not taken effective action to remedy the fact that in 2011 the death tax will come back with impunity on the 2001 level. This situation is simply unacceptable.

During this session we have tried to stimulate the economy by getting money in the hands of consumers and small business people allowing them to invest the funds as they see fit and not at the whim of the government. By taking steps to simplify the estate tax we will further this goal and free up even more funds which would have gone to expensive attorneys and have them instead reinvested into businesses or in the economy. This simplification will strengthen these businesses and the economy while making it easier for families to pass their businesses and farms to their children directly without much complication or expense.

When I return to Iowa I want to be able to tell small farmers who are getting ready to harvest their fields that they can focus on the job at hand and don’t have to worry about the potential trouble on the horizon regarding the death tax. They should not have to spend lots of time and money paying expensive attorneys to arrange their belongings for no other reason than to avoid the estate tax. For a small farmer or businessman, this time of year is busy enough without having to worry about the government repeatedly changing all the rules.

I again would like to thank the chairman for holding these hearings, but I also would like to urge the committee to move quickly toward a mark up of an estate tax bill at its earliest convenience. We need a bill which will simplify the estate tax as well as make those changes more permanent to provide individuals certainty and simplicity regarding the settling of their estate. A bill of this kind will ease anxiety and allow individuals to reinvest their money into their businesses and the economy as opposed to paying attorneys to keep their assets away from the government. If we can

accomplish this goal it will be a great success to show we averted the potential disastrous effect of 2011 and helped to simplify the estate tax code to the benefit of our constituents. Thank you.