



For Immediate Release
March 12, 2008

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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Alternatives to the Current Federal Estate Tax System**

Edmund Burke once criticized his opponents by saying: “They defend their errors as if they were defending their inheritance.”

We’re here today to examine the estate tax. We’re here today to consider whether taxing estates is an error. And we’re here today to examine whether there are other ways to address inheritance.

This is the second hearing in a series of hearings focusing on estate tax reform. We will hold a third when we return in April.

Usually, when people talk about estate tax, they focus on the current system. They talk about a little change here and a little change there.

They talk about turning one dial a quarter to the left, or turning another dial a quarter to the right. They work on the issue as though they were tuning a radio.

In this hearing, we put the old radio aside. Today, we’re going to take a look outside of the box.

Under current law, the estate tax changes every year through 2011. Every year, the law changes.

The law phases out completely. And then it springs back to the original high rate and low exemption level.

The law is complicated. It is intimidating to small businesses, ranchers, and farmers.

The law lacks certainty for the American people.

We seriously need estate tax reform.

I know that accomplishing an estate tax markup this year won’t be easy. But let’s work toward that goal.

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I'm committed to getting estate tax reform done. I'm ready to roll up my sleeves and work with Senators to get a reform proposal that will benefit Montana and the rest of America.

These Finance Committee hearings will give us a view of some reform possibilities.

These Finance Committee hearings will begin a good policy debate. And I hope that the debate will lead to a bipartisan estate tax compromise.

Today, we'll hear about taxing the beneficiary rather than the estate.

Today, we'll hear about an income inclusion system.

And today, we'll hear about how other countries dealt with this issue and the results.

Now I do not endorse any of the proposals that the witnesses will present to us today. But I do want the Committee to have thought widely about the possibilities for replacing the estate tax.

So today, we're not going to defend the tax law's errors. Today we're going talk about fundamental change to the estate tax. And in so doing, we'll see if we can leave a better inheritance for everyone.

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