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What Economists Are Saying About the Death Tax . . .

- "The primary defense made for the estate taxes is that it encourages charity. If so, there are better and less costly ways to encourage charity. Eliminating the estate tax will lead to higher economic growth, which is the most important variable in determining the level of charitable giving. Death should not be a taxable event. The estate tax should be repealed." (Milton Friedman, Nobel Laureate in Economics)

- "The estate and gift tax is bad tax policy by every standard. It is an unfair tax on income that has already been taxed. It discourages work and saving. It is complex and imposes high compliance costs. And because of its incentive effects, it probably reduces personal income tax revenue by more than the estate tax itself collects, causing a net decrease in total federal tax revenue." (Martin Feldstein, Professor of Economics, Harvard University)

- "After paying numerous and burdensome taxes during one's lifetime, any remaining estate is heavily taxed at death. The alternative to saving is spending and avoiding saving and wealth accumulation. Many adopt that approach and not only their heirs are denied benefits but also the nation is denied savings which could be used to encourage economic growth and jobs. Abolishing the death tax would not only remove a gross inequity but would also augment, in a major way, the flow of new savings, investment and job creation." (Beryl W. Sprinkel, former Chairman of the President's Council of Economic Advisers)

- "The lesson of the Estate Tax is this: If you work hard, save, or are lucky in life, we will punish you and yours when you die." (Nancy Roberts, Professor of Economics, Arizona State University)

- "The macroeconomic effects of death taxes makes all of us worse off: It is a direct tax on capital and hence reduces our rate of capital formation. That effect is magnified if death taxes reduce people's incentive to save. Saving and investment (capital formation) are the engines of economic growth." (Walter Williams, Professor of Economics, George Mason University)

- "Tax economic activity—tax it once—and then leave it alone. The death tax violates this as it is the tax that keeps on taking. This is economically undesirable and, well, wrong." (Randall E. Parker, Associate Professor of Economics, East Carolina University)

- “The desire to pass wealth from generation to generation dates at least to biblical times. The disincentive effect of the death tax on work and saving are potentially huge and the impact on family businesses and small farms can be disastrous. Repeal of the death tax is an example of sound economics meeting simple fairness.” (Russell Lamb, Assistant Professor, North Carolina State University)

- “The death tax violates nearly every principle of taxation that Adam Smith laid out for us some 200 years ago. It distorts incentives to produce and innovate, is complicated, raises little revenue, is avoided by the very wealthy through the use of expensive legal advice, and prevents middle class families from becoming wealthy families through intergenerational thrift and effort.” (Gary Wolfram, George Munson Professor of Political Economy, Hillsdale College)

- “The death tax is one of the most immoral of our taxes, penalizing surviving family members for their loved ones' wise investment while they were alive. It is double taxation at its worst.” (Larry Schweikart, Professor of Economic History, University of Dayton)

- “Benjamin Franklin said that, in this world, nothing is certain but death and taxes. Perhaps, but why must passage into the next world trigger yet another tax - a tax, moreover, whose burden is in direct proportion to nothing but the dead person's lifetime frugality? Live the high life and pay no tax; be prudent and pay through the nose. What is the sense or justice in that?” (John J. Seater, Professor of Economics, North Carolina State University)

- “A repeal of the Death Tax would promote investment spending, economic growth and employment through incentives to expand businesses. Second generation 'family businesses' don't stand a chance with this hurdle. Furthermore, it would reduce clandestine activity—accounting fraud and income tax evasion—creating more money for government and the reduction in the number of bankruptcies.” (Richard Yamarone, Director of Economic Research, Argus Research Corp.)

- “Abolishing the estate (or death) tax is fundamentally an equity, not an economic, issue. Should a wealthy individual wish to spend her accumulated income on lavish homes, automobiles, clothing, jewels or other consumer goods she is free to do so. If this same sovereign consumer chooses instead to pass on her wealth to her heirs, this beneficence is subjected to punitive federal taxation.” (Kenneth W. Chilton, Associate Professor of Management, Lindenwood University)

- “The death tax poses a major disincentive to small businesses, on which the economy relies so much for growth. The death tax adds to that burden significantly, and thus retards growth.” (Charles Calomiris, Henry Kaufman Professor, Columbia University Graduate School of Business)

- “Congress and all concerned should focus on the pernicious effect of death taxes on the entrepreneurial spirit of our society. Such taxes are a disincentive in that they too often deny entrepreneurs the ultimate property right—the right of disposal.” (F. Jerry Ingram, Professor of Finance, the University of Louisiana at Monroe)

- “Providing for one's children is one of the most powerful motivators for work, investment, and playing by social rules. The death tax has a negative effect on all of these. It encourages evasive tax behavior, even illegal avoidance. It skews the timing and nature of transfers by arbitrarily taxing post-death gifts of monetary and real assets, but placing no tax, or limited taxes, on expenses on behalf of or gifts to offspring before death. So, it accomplishes little of its goals to limit the advantages some children have of being born to asset-rich parents. However, there are significant transaction costs in mitigating the effects of the death tax, and these constitute an important waste of productive resources.” (Carl Dahlman, Senior Economist, RAND Corporation)

- “Evidence on the redistributive effects of the inheritance tax is mixed at best. While it was once crafted with the notion that it would expand competitive opportunity by reducing an inherited wealth advantage, under the existing law, a significant number of businesses must be dissolved to comply with the tax obligations. There are numerous ways to achieve an equitable tax system, but in most instances, the inheritance tax falls short of achieving this goal.” (Phillip LeBel, Professor of Economics, Montclair State University)

- “In our free society, the right of private property, coupled with freedom of choice, gives property owners the right to dispose of their privately owned resources as they see fit. This, of course, includes the right to bequeath. The state's coercive intrusion in the inter-generational transfer of private property, as exemplified by the death tax, represents a serious encroachment upon our freedoms and property rights, and disrupts negatively the family, society and the economy. Indeed, inasmuch as the bequest motive is an important determinant of savings, the death tax, as a tax on net worth, reduces total savings which are the basis for capital accumulation, economic growth and job creation. The death tax should be abolished immediately.” (Parnell Duverger, Adjunct Professor of Economics, Broward Community College)

- “The death tax is theft by the government. Having taxed the income once, it now wants more, supposedly in the name of equity. Any economist who supports the death tax ought to be drummed out of the profession.” (Stephen Happel, Professor of Economics, Arizona State University)

- “It’s been said that there are two certainties in life: death and taxes. True, and bad enough, so why do we have to compound this by having death taxes?” (Robert F. Hebert, Professor of Economics, University of Louisiana)